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Labor Market Immigrant Integration and Employment: An Analysis of EU Countries

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Labor Market Immigrant Integration and Employment:

An Analysis of EU Countries



Senior Project Submitted to
The Division of Social Studies

by
Iro Gkrimpizi

Annandale-on-Hudson, New York

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Abstract

This Senior Project advances the immigrant integration debate, examining the effect of labor market immigrant integration policies on the European labor force. Building on an existing body of literature that examines the migration and immigrant integration debate, this paper assesses the relationship between immigrant integration policies in the EU and the employment rate of the total, non-EU, low-skilled, young, old, and female labour force, by using panel data at the EU level to answer the question, “*Can the labor market integration of immigrants lead to positive labor market outcomes as expressed by the employment rate?*”. The relationship between labor market immigrant integration policies and the employment rate, was studied both at an EU level and at an individual country level. In order to examine the disparities that exist between the labor market immigrant integration policies and labor market outcomes, a country analysis for Austria, France, Germany, Netherlands, Sweden, and the UK was done. On the EU level, a statistically significant positive correlation was found between the total, old, and female population and labor market immigrant integration policies. For the non-EU, low-skilled, and young labor force positive results were found but with no statistical significance. On the country level, the results were also mixed. These results were not well explained by the stated hypothesis that immigrant integration policies will lead to positive labor market outcomes as measured by the employment rate.

Table of Contents

❖ Introduction.....	1
❖ Chapter One: Economics of Migration	
➤ 1.1 Introduction.....	5
➤ 1.2 Migration Trends.....	6
➤ 1.3 Ruhs' Four Economic Effects of Migration.....	9
➤ 1.4 Migration Literature.....	15
▪ 1.4.1 Current Debate.....	22
➤ 1.5 Migration Literature Applied to Immigrant Integration.....	24
➤ 1.6 Recommended Policy: Immigrant Integration.....	29
❖ Chapter Two: European Immigrant Integration	
➤ 2.1 Introduction.....	31
➤ 2.2 Academic Theories on Immigrant Integration.....	35
▪ 2.2.1 Assimilation & Assimilationist Integration.....	39
▪ 2.2.2 Multiculturalism & Multiculturalist Integration.....	41
▪ 2.2.3 EU Stance.....	42
▪ 2.2.4 Structuralism.....	45
➤ 2.3 Immigrant Integration Policies in the European Union.....	47
➤ 2.4 Measuring Immigrant Integration.....	54
▪ 2.4.1 Labour Market Mobility.....	54
▪ 2.4.2 Family Reunion for Foreign Citizens.....	56
▪ 2.4.3 Education.....	57
▪ 2.4.4 Political Participation.....	58

▪ 2.4.5 Permanent Residency.....	59
▪ 2.4.6 Access to Nationality.....	60
▪ 2.4.7 Anti-discrimination.....	61
▪ 2.4.8 Health.....	62
➤ 2.5 Conclusion.....	63
❖ Chapter Three: Labor Market Impact of Immigrant Integration	
➤ 3.1 Introduction.....	64
➤ 3.2 Regression Analysis.....	67
▪ 3.2.1 Model 1: Total Employment Rate and MIPEXL.....	70
▪ 3.2.2 Model 2: Non-EU Employment Rate and MIPEXL.....	71
▪ 3.2.3 Model 3: Low-Skilled Employment Rate and MIPEXL.....	72
▪ 3.2.4 Model 4: Young Labor Force Employment Rate and MIPEXL.....	73
▪ 3.2.5 Model 5: Old Labor Force Employment Rate and MIPEXL.....	74
▪ 3.2.6 Model 6: Female Labor Force Employment Rate and MIPEXL.....	75
➤ 3.3 Individual Country Analysis.....	77
▪ 3.3.1 Austria AT.....	78
▪ 3.3.2 France FR.....	80
▪ 3.3.3 Germany DE.....	82
▪ 3.3.4 Netherlands NL.....	84
▪ 3.3.5 Sweden SE.....	86
▪ 3.3.6 United Kingdom UK.....	88
➤ 3.4 Conclusion.....	91
❖ Concluding Remarks.....	93

❖ Bibliography.....	98
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List of Charts and Tables

❖ Chapter One: Economics of Migration

- Figure 1.1: Share of foreign citizens in resident population in EU-27.....8
- Figure 1.2: Workers as Substitutes.....15
- Figure 1.3: Workers as Complements.....15
- Figure 1.4: Labour Market Immigrant Integration.....25
- Figure 1.5: Employment in services in EU-27 (% of total employment).....26

❖ Chapter Three: Labor Market Impact of Immigrant Integration

- Figure 3.1: EU Countries' Ranking.....67
- Figure 3.2: Hausman test for the total employment rate.....68
- Figure 3.3: Regression Analysis.....69
- Figure 3.4: Summary Statistics.....69
- Figure 3.5: Statistical relation between MIPEXL & employment rate for 17 EU Countries
.77
- Figure 3.6: Austria's total employment rate & MIPEXL.....79
- Figure 3.7: Austria's non-EU employment rate & MIPEXL.....79
- Figure 3.8: Austria's low-skilled employment rate & MIPEXL.....79
- Figure 3.9: France's non-EU employment rate & MIPEXL.....81
- Figure 3.10: France's low-skilled employment rate & MIPEXL.....81
- Figure 3.11: Germany's total employment rate & MIPEXL.....83
- Figure 3.12: Germany's non-EU employment rate & MIPEXL.....83
- Figure 3.13: Netherlands' total employment rate & MIPEXL.....85
- Figure 3.14: Netherlands' non-EU employment rate & MIPEXL.....85

➤ Figure 3.15: Sweden's total employment rate & MIPEXL.....	87
➤ Figure 3.16: Sweden's non-EU employment rate & MIPEXL.....	87
➤ Figure 3.17: United Kingdom's total employment rate & MIPEXL.....	90
➤ Figure 3.18: United Kingdom's non-EU employment rate & MIPEXL.....	90

Introduction

In today's increasingly globalized world, migration will always constitute an integral part. Migration has been increasing all over the world and in Europe. In the European Union, migration is a result of the increased mobility of people across member states, but also the growing number of immigrants from outside the EU. While migration is increasing, there has been extensive academic literature about its effect on the labour market. These academic debates have been accompanied by political debates on whether and how many immigrants states should allow in their territories. Most recently, the political debates have evolved around what to do with immigrants already within states. Europe has increasingly been challenged to integrate not only EU-nationals but also third-country nationals. A reality that has modified the understanding of what integration initially meant. The European Union has been aiming towards a collective response to migration and immigrant integration with respect to immigrants' rights based on the international human rights framework. Nevertheless, member states still perceive migration and immigrant integration policies to be at the heart of national sovereignty.

Based on the EU framework, member states should be responsible to ensure labour market mobility, family reunion, education, political participation, permanent residency, nationality, anti-discrimination, and health for immigrants.^{1,2} Employment is a core element of the immigrant integration process and the EU has urged countries to focus on the promotion of the labour market integration of third-country nationals.³ These conditions will allow for immigrants' successful integration and thus their successful contribution to society and the

¹ IOM, "*World Migration Report 2015*", 2015.

² Migrant Integration Policy Index 2015, <http://www.mipex.eu/>

³ European Commission, "Action Plan of the Integration of Third Country Nationals", 2016.

development of their destination countries.⁴ Nevertheless, member states have been enacting different policies and laws not necessarily following EU's aim towards a collective EU response to migration and immigrant integration policies. These different approaches are linked to the academic debates around the merits of multiculturalism or assimilation.

Starting in the 1970s, European countries realized the increased prevalence of immigrants and discussions emerged about how to deal with this consistently disadvantaged portion of the population. The predominant response at that time was multiculturalism. However, after the turn of the century, politicians and academics started to challenge the effectiveness of multiculturalism.⁵,⁶ Countries started implementing stricter migration policies and more demanding immigrant integration requirements including the knowledge of the host society's language, history, and institutions.⁷ Different EU countries have been associated with different integration "models" in relation to their approaches to immigrant integration. For example, France⁸ has been the prototype of assimilationist integration policies. The Netherlands and the UK are countries perceived as the prototypes of the multiculturalist integration approach. However, countries' approaches to integration have been changing. The Netherlands and the UK⁹ has increasingly been disinvesting in immigrant integration policies. On the other hand, countries like Germany¹⁰ and Austria¹¹, which had no immigrant integration policies, have

⁴ UNDP, "Overcoming barriers: Human mobility and development" *Palgrave Macmillan*, 2009.

⁵ Weaver, "Angela Merkel: German Multiculturalism Has 'Utterly Failed,'" *The Guardian*, 2010.

⁶ Burns, "Cameron Criticizes 'Multiculturalism' in Britain," *The New York Times*, 2011.

⁷ Joppke, "Beyond national models: Civic integration policies for immigrants in Western Europe", *Western European Policies*, Vol. 30, 2007.

⁸ Entzinger & Biezeveld, "Benchmarking in Immigrant Integration", European Research Centre on Migration and Ethnic Relations, 2003.

⁹ Joppke, "Beyond national models: Civic integration policies for immigrants in Western Europe", *Western European Policies*, Vol. 30, 2007.

¹⁰ Bendel, "Coordinating Immigrant Integration in Germany: Mainstreaming at the Federal and Local Levels" *Migration Policy Institute Europe*, 2014.

¹¹ Kraler & Jandl, "Austria: A Country of Immigration?", *Migration Policy Institute*, 2003.

created immigrant integration policies and have increasingly invested in targeted support programs. Importantly, the immigrant integration debate is still ongoing.

Overall, the literature around the immigration and integration of immigrants has been extensive. In the European Union, integration policies in relation to third-country nationals started in 1999. Since then, there has been a lot of normative developments and policy changes that are connected to the literature around integration. There has been a lot of academic debate about how immigrant integration works, the efficacy of certain approaches to immigrant integration, and whether or not European integration policies are converging. However, there has been limited quantitative analysis on the effectiveness of immigrant integration policies. On the policy level, the European Union has commissioned some researchers in order to find the best indicators that determine the success of immigrant integration and the factors that determine the immigrant integration outcomes. The Migrant Integration Policy Index is the most effective tool yet developed.

This Senior Thesis attempts to address the following question, “*Can the labor market integration of immigrants lead to positive labor market outcomes as expressed by the employment rate?*”. The operating hypothesis is that there is a positive correlation between labour market immigrant integration and the employment rate of the total population and different subgroups. To provide a quantitative answer to the research question, this paper uses panel data for 17 EU countries over the time period 2007-2014. An individual country analysis of Austria, Germany, France, Sweden, Netherlands, and the UK – countries that have been at the center of the immigrant integration debate – will allow to further examine the disparities that exist between labour market immigrant integration policies and outcomes.

Finally, this paper concludes with recommendations on how to substantiate the academic and political debates around immigrant integration. Further questions are posed that the European Union and its member states should examine in order to increase the importance of immigrant integration in today's globalized world, without which the full potential of immigrants will never be used. Failure to enable immigrants' potential would be a massive waste of resources, both at the individual level and more generally for the European economy and society as a whole.

Chapter One: Economics of Migration

1.1 Introduction

In an increasingly globalized world, migration is unavoidably an integral part. Migration has substantially increased all over the world and in Europe. In the European Union, increased migration is a result of the increased mobility across Member States, but also the growing inflows of immigrants from outside the EU. With migration being such an important part of today's world, it is really important that migration policies facilitate the successful contribution of immigrants. According to UNDP's Human Development Report, immigrant's successful integration is directly related to their positive contribution to society and development.¹² In order to facilitate the successful contribution of immigrants, policies should be coordinated at the national level while adhering to international human rights standards. EU law and developing norms call on member states to implement migration policies that ensure labor market mobility, family reunion, education, political participation, permanent residency, nationality, anti-discrimination, and health for immigrants.^{13,14} Such conditions will help immigrants to be active participants in the development of their destination countries.

While migration is increasing, the debates around its effect on the labor market have been extensive. Most theorists conclude on the overall positive effects of migration on the labor market. In relation to the impact of migration on the wages and employment of native workers, the literature has also shown that there has not been a negative impact. Recently, the literature has developed arguing for immigrants' positive contribution to society and development with their successful integration. However, there has been limited economic research examining how the integration of immigrants will specifically affect the wages and employment of native

¹² UNDP, "Overcoming barriers: Human mobility and development" *Palgrave Macmillan*, 2009.

¹³ IOM, "World Migration Report 2015", 2015.

¹⁴ Migrant Integration Policy Index 2015, <http://www.mipex.eu/>

workers. Based on the migration literature, I support that immigrant integration will lead to positive effects on the employment and wages of native workers.

In this chapter I will first look at the trends of migration. I will move forward to examine Ruhs' four economic effects of migration substantiating my stance with research on the impact of migration showing a positive result. Then I will explore the impact of migration on the wages and employment of native workers following the trajectory of the migration debate from 1989 until today. After showing that immigrants do not have a negative effect on the employment and wages of native workers, I will argue that their effective integration will lead to apparent positive results at the national level as it will complementary respond to the labour market. I will do so connecting the migration literature to immigrant integration. Finally, I will recommend integration as an effective policy towards the heated migration debate.

1.2 Migration Trends

It is crucial to depict the extent to which recent trends have contributed to the scope and complexity of migration. The accurate depiction of migration trends will allow for more clarity in relation to the principles governing international cooperation of migration and national capacities to manage it. Most states are now simultaneously countries of origin, transit, and destination for immigrants.¹⁵ Thus, states need to incorporate more comprehensive and inclusive migration policies diverging from the traditional, one-dimensional policies that were once in place.

¹⁵ OECD, "International Migration Outlook 2016", 2016.

According to Papademetriou¹⁶, large urban areas tend to attract the largest number of immigrants. Given that most immigrants live in urban areas and that most population growth is forecasted in cities and urban areas, local authorities will continue to play a crucial role in migration governance. According to EU law and developing norms, member states and local authorities are called to implement migration policies that will successfully integrate immigrants. Local authorities will increasingly be responsible to ensure labor market mobility, family reunion, education, political participation, permanent residency, nationality, anti-discrimination, and health for immigrants.^{17,18} Such conditions will help in the integration of immigrants and allow them to be active participants in the development of their destination countries.

Worldwide, the number of international migrants has grown rapidly reaching 244 million in 2015. The number of migrants is up from 222 million in 2010 and 173 million in 2000. 1/3 of all international migrants live in Europe. The stock of migrants is evenly divided between the two genders with women accounting for 48 percent of the total.¹⁹ One third of all international immigrants are estimated to be under the age of thirty. Also, more than 150 million are estimated to be immigrant workers.²⁰ Migration has a positive impact on social, cultural, and economic benefits. The 2030 Agenda for Sustainable Development adopted by the United Nations in 2015, recognizes the positive effects on inclusive growth and sustainable development in countries of origin, transit and destination.²¹

¹⁶ Papademetriou, “Fostering an Inclusive Identity Where It Matters Most: At the Local Level” *Migration Policy Institute*, 2014.

¹⁷ IOM, “*World Migration Report 2015*”, 2015.

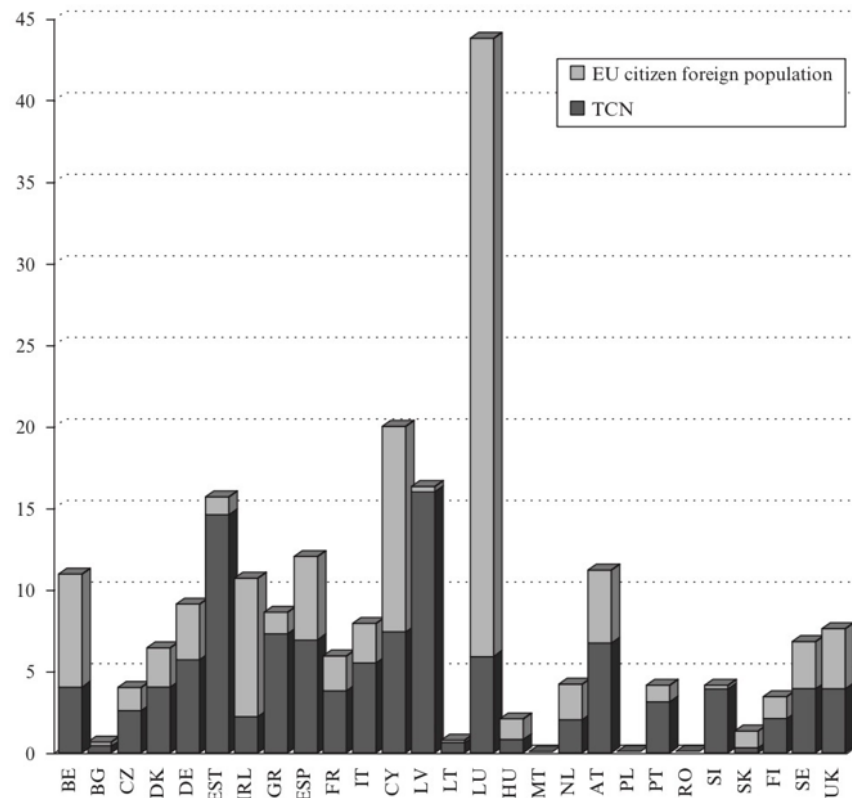
¹⁸ MIPEX integration indicators

¹⁹ United Nations, “International Migration Report 2015: Highlights”, *Department of Economic & Social Affairs, Population Division*, 2016.

²⁰ ILO, “Global estimates of migrant workers”, 2015.

²¹ United Nations, “Transforming our World: 2030 Agenda for Sustainable Development”, 2015.

According to Geddes and Hadj-Adbou²², in 2012, there were 34.3 million foreign citizens living in the EU, accounting for 6.8 percent of the total European population. Of those, 13.6 million were citizens of another EU member state (2.7 percent of the total EU population), while 20.7 were third-country nationals (4.1 percent of the total EU population). The labour market participation of immigrants that were citizens of another EU member state was higher than nationals at 67.7 percent compared to 64.4 percent. Third-country national's (TCN) labour market participation was lower at 53.7 percent.



Note: Exact numbers for Malta not available according to TCN/EU citizens distinction; total proportion is 4.9 per cent foreign citizens.

Source: Eurostat (2013).

Figure 1.1 Share of foreign citizens in resident population in EU-27

²² Geddes and Hadj-Adbou, "An unstable equilibrium: freedom of movement and the welfare state in the European Union", *Handbook on Migration and Social Policy* ed. By Freeman & Mirilovic, Edward Elgar Publishing, 2016, p. 227.

Figure 1.1 shows, the balance between citizens of another EU member state and TCNs in EU member states. According to the figure, in 2013, only eight countries -Luxembourg, Ireland, Slovakia, Belgium, Cyprus, Hungary, the Netherlands, and Malta- out of the 27-EU countries had more citizens of another EU member state as their immigrant population compared to TCNs. This figure could be viewed as evidence that non-EU immigrants are playing an increasingly major role in the EU. However, TCNs employment rates are lower than both EU nationals & EU-immigrants, which calls for more effective immigration policies that will ensure immigrants' successful integration in the labor market.

1.3 Ruhs' Four Economic Effects of Migration

According to Ruhs²³, there are four economic effects of migration on the receiving states that are most frequently discussed. First, the migration of workers whose skills and other factor endowments are, on average, different than those from the national population can create production complementarities increasing the national and average incomes among the resident population of the host country. A study from 1980-2005 in the OECD countries found that immigrants were complements rather than substitutes to the native workforce.^{24,25} Generally, migration has little effect on the wages and employment of native workers.²⁶ It might suppress wages and employment opportunities for low-skilled native-born workers and earlier immigrants, in the short-run, if new immigrants become substitutes for similarly low-skilled workers. However, the evidence suggests that the impact is small and, on average, essentially

²³ Ruhs, "Theorizing labor immigration policies: openness, skills and rights", *Handbook on Migration and Social Policy* ed. By Freeman & Mirilovic, Edward Elgar Publishing, 2016, p.442.

²⁴ Ortega and Peri, "The causes and effects of international labor mobility: evidence from OECD countries 1980-2005", *United Nations Development Programme Human Development Research*, 2009.

²⁵ Foged and Peri, "Immigrants' effect on native workers: new analysis on longitudinal data", *Institute for the Study of Labour*, 2015.

²⁶ Peri, "Do immigrant workers depress the wages of native workers?", *IZA World of Labor*, 2014.

zero.²⁷ Importantly, immigrants' successful integration will unlikely have such effects as it will allow for their successful skill use and will complementary respond to labor market demands.

Second, immigrant workers can play a role in responding to labor and skill shortages in specific sectors and/or occupations. According to the World Bank, migration brings immediate increases in the labour supply facilitating many countries' shortages at both the high and low ends of the skill spectrum.²⁸ It is expected that, without immigration, the EU population will decline by 57 million people by the year of 2050.²⁹ This expectation is created by increasing life expectancy in combination with low birth rates in Europe. However, the population of North Africa, the Middle East and Central Asia –Europe's neighboring countries – is characterized by the increasing number of young individuals.³⁰ Currently, it is estimated that the proportion of TCNs living in Europe is 4.1 percent of the total population.³¹ According to a report by the United Nations, European economies will need 700 million immigrants for the next 50 years to sustain growth and support their social security systems.³² Thus, migration could be the remedy of the aging European population with young individuals entering the EU from neighboring countries.

Third, migration could generate spillover effects resulting from a bigger economy (higher GDP), a more diverse society, a great share of highly skilled and motivated individuals, and a higher population density among others. Interestingly, spillover effects could be both positive and negative. Positively, most immigrants are relative young thus are actively participating in the

²⁷ Peri, "Do immigrant workers depress the wages of native workers?", *IZA World of Labor*, 2014, p.1.

²⁸ World Bank "Migration and Development: A Role for the World Bank Group", 2016.

²⁹ United Nations, "Replacement Migration: Is It a Solution to Declining and Ageing Populations?" *Population Division, Economic and Social Affairs*, 2000.

³⁰ Munz, "Old Europe: A Look Ahead to the Twenty-First Century", *Institute for Human Sciences*, 2007.

³¹ OECD, "Indicators of Immigrant Integration 2015", 2015.

³² United Nations, "Replacement Migration: Is It a Solution to Declining and Ageing Populations?" *Population Division, Economic and Social Affairs*, 2000.

workforce contributing to the gross domestic product (GDP).³³ Increasing domestic demand for goods and services, immigrants also create jobs. Between 2000 and 2007, immigrants in the United States contributed to 32 per cent of GDP growth.³⁴ Immigrants also actively contribute in the creation of new jobs through their entrepreneurial spirit. From 1998 to 2008, foreign-born, self-employed owners of small and medium-sized firms created on average 1.4 to 2.1 additional jobs.³⁵ Additionally, immigrants play a great role in innovation especially in the fields of technology, engineering, and mathematics. Since 1975, 91 per cent of the patents in the United States were registered by inventors of Chinese, Indian, and European decent.³⁶ Immigrants play a key role in the most dynamic sectors of the economy. New immigrants represent 22% of entries into expanding occupation in the US while 15% in the EU.³⁷ Overall, recent evidence shows that immigrants are likely to boost firm productivity and the wages of native workers, in the long-run, stimulating firm growth and contributing to a range of skills and ideas.³⁸

Forth, immigrants could be a burden or a boost for the welfare state and public finances depending on the difference between the taxes they pay and the costs of public services and benefits they consume. According to the “International Migration Outlook 2013” of the OECD, international immigrants contribute more on direct and indirect taxes than they receive on social benefits.³⁹

³³ OECD, ILO, World Bank. “The Contributions of Labor Mobility to Economic Growth.” *Joint paper for G20 Labour and Employment Ministers’ Meeting*, 2015.

³⁴ Puente et al., “Towards an assessment of migration, development and human rights links: conceptual framework and new strategic indicators”, *Peoples’ Global Action on Migration, Development, and Human Rights, IV Global Forum*, 2010.

³⁵ OECD, “International Migration Outlook 2011”, 2011.

³⁶ Kerr, “U.S. high-skilled immigration, innovation, and entrepreneurship: empirical approaches and evidence”, *World Intellectual Property Organization*, 2013.

³⁷ OECD, ILO, World Bank. “The Contributions of Labor Mobility to Economic Growth.” *Joint paper for G20 Labour and Employment Ministers’ Meeting*, 2015.

³⁸ Peri, “Do immigrants depress the wages of native workers?”, *IZA World of Labor*, 2014, p.1.

³⁹ OECD, “International Migration Outlook 2013”, 2013.

All of the aforementioned evidence, responding to Ruhs' four economic effects of migration on the receiving countries, suggests that immigrants are unlikely to hurt the host country and more importantly they benefit it. Increasingly though, the migration debate is fueled by biased data and inaccurate information stressing the challenges of migration, while downplaying the positive effects especially in the long term. This negative stereotyping creates xenophobic and racist sentiments. According to the European Barometer Survey of Spring 2015⁴⁰, more than half of the European population had a negative feeling towards the immigration of people from outside the European Union. A large number of natives feel threatened by immigrants and hold negative attitudes towards them and migration.⁴¹ These hostile attitudes are also depicted through the rise of extremist parties in numerous European countries.⁴² Also, studies in some European countries show that migrant job candidates face increasing discrimination in their access to employment.⁴³

The words "migrant" and "refugee" are irregularly distinguished and many times conflated in political discourse.⁴⁴ Refugees are established by international conventions as *involuntary* displaced individuals by political circumstances, whereas immigrants are seen as individuals *voluntarily* leaving their countries for better economic opportunities. Such views many times lead to perceive immigrants as unworthy of social, economic and political rights as they are perceived to have made a *choice*. Nevertheless, such distinctions do not always accurately reflect the causes of immigration. Many times, individuals are pushed to leave their

⁴⁰ European Standard Eurobarometer Survey 83, 2015, p.36.

⁴¹ Billiet, Meuleman, & Witte, "The Relationship Between Ethnic Threat and Economic Insecurity in Times of Economic Crisis: Analysis of European Social Survey Data", *Migration Studies*, 2014.

⁴² Halikiopoulou & Vlandas, "The Rise of The Far Right in Debtor and Creditor European Countries: The Case of European Parliament Elections", *The Political Quarterly*, 2015.

⁴³ Simeone, Taran & Gächter, "'Situation-Testing': Discrimination in Access to Employment based on ILO Methodology", *International Migration Programme*, 2010, p. 4.

⁴⁴ Holmes & Castaneda, "Representing 'the European refugee crisis' in Germany and beyond: Deservingness and difference, life and death" *Journal of the American Ethnological Society*, 2016.

countries by economic circumstances that are politically produced; “Voluntary” economic immigrants leave their countries due to structural violence and post-colonial economic inequalities.^{45,46}

In an increasingly globalized world, where migration is an integral part, it is important to accurately reflect the migration impact and its positive effects. Migration mostly results from the demand and supply conditions in the labor markets of both the origin and the destination countries. Immigrants fill labour and skill gaps⁴⁷, transfer remittances, contribute to social protection systems, taxes, innovation and entrepreneurship, promote trade and investment and transfer technology, skills and knowledge. In relation to economic development, immigrants’ greatest contribution comes when they are well integrated, and their skills are properly used according to the host country’s needs.

In order to facilitate the successful contribution of immigrants, policies should be coordinated at the national level and should be based on international human rights standards. A lack of the protection of immigrants’ rights could lead to their exclusion and exploitation. Importantly, the protection of immigrants could benefit national workers by preventing a race to the bottom in relation to immigrants’ pay and working conditions. As Ruhs⁴⁸ rightly explains, differential rights between immigrants and the native population could have negative effects. This stems from the fact that some employment-related rights can be costly for employers. All else being equal, employers will prefer immigrant workers under restricted rights than resident workers with full employment rights. The differential of the wage and employment conditions

⁴⁵ Holmes & Seth “Structural Vulnerability and Hierarchies of Ethnicity and Citizenship on the Farm” *Medical Anthropology*, 2011.

⁴⁶ Holmes & Seth “Fresh Fruit, Broken Bodies: Migrant Farmworkers in the United States” *Berkley: University California Press*, 2013.

⁴⁷ OECD, ILO, World Bank. “The Contributions of Labor Mobility to Economic Growth.” *Joint paper for G20 Labour and Employment Ministers’ Meeting*, 2015.

⁴⁸ Ruhs, “Theorizing labor immigration policies: openness, skills and rights”, *Handbook on Migration and Social Policy* ed. By Freeman & Mirilovic, Edward Elgar Publishing, 2016, p.452

between natives and nationals could lead to a complete segmentation of the labour market. Consequently, equality in pay and work-related rights vis-à-vis labour market immigrant integration could help avoid such negative consequences.

Overall, migration and development-related policies should be based on accurate information in contrast to misconceptions portraying immigrants as job-stealers or burdens. As, in fact, international migration contributes both directly and indirectly to the economic growth of host countries. Crucially though, the benefits of migration largely depend on the respect and upholding of immigrants' rights based on the international human rights framework. In the European framework, the migration 'governance' model, although sometimes prevented by national interests, emphasizes its support for the migration of TCNs as labor needed for the economic development of the European Union.⁴⁹ Additionally, the integration of immigrants is seen as an important step towards their inclusion to society. Consequently, the EU has aimed at the development of a common EU framework on the integration of TCNs as part of the Area of Freedom, Security and Justice. The integration of third-country nationals has been incorporated in migration management aiming to secure access to rights, security, and social inclusion in third-country nationals. Labor market immigrant integration is given increasing importance in EU decisions seen as a "key part of the integration process"⁵⁰ making immigrants' contributions to society visible.

⁴⁹ Squire, "The Exclusionary Politics of Asylum" *Basinstoke: Palgrave Macmillan*, 2009.

⁵⁰ European Commission, "Common Basic Principles for Immigrant Integration Policy in the EU", 2004.

1.4 Migration Literature

In this section, I would like to explore the impact of migration on the wages and employment of native workers. In order to do so, I will follow the trajectory of the migration debate on their impact to the native population from 1989 until today. I will analyze the perspectives of George Borjas, David Card, Giovanni Peri et al., Michael Clemens and Jennifer Hunt, and David Roodman. My aim is to challenge Borjas' perceptive that immigrants negatively affect the wages and employment of native workers supporting my claims with evidence provided by Card, Peri et al., Clemens & Hunt, and Roodman.

In 1989, Borjas developed a theory for international migration based on the neoclassical model of demand and supply. As he stated economics studies the allocation of scarce resources and "labor is a scarce resource that may be "allocated" to different labor markets."⁵¹ People will migrate to maximize their utility (income-maximization hypothesis) and thus people will be "traded" across boundaries in the "immigration market" similarly with goods traded across boundaries in the international goods market.⁵² Individuals' decisions to migrate will depend on the individuals' financial resources, the immigration regulations imposed by competing host countries and the emigration regulations of the source country.⁵³ According to Borjas' theory, individuals with higher earning capacities will find it more expensive to migrate.⁵⁴

Figure 1.2: Workers as Substitutes

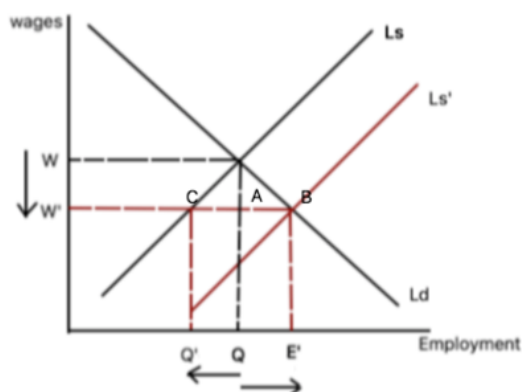
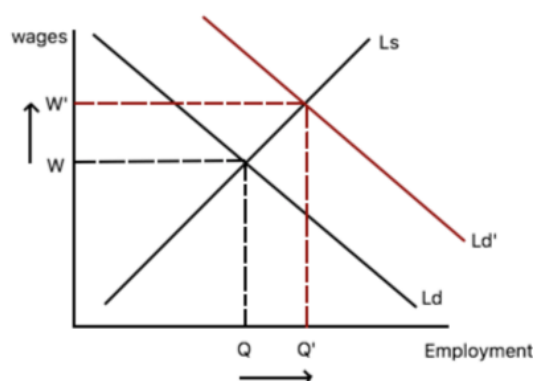


Figure 1.3: Workers as Complements



On the effect on wages, Borjas stated that immigrant wages will decrease based on the principle of diminishing marginal productivity. As more immigrants enter the labor market, their supply will increase, and their marginal productivity will decline lowering their wages. In relation to natives, if natives and immigrants are substitutes (Graph 1), the equilibrium wage ($W \rightarrow W'$) and employment ($Q \rightarrow Q'$) of natives will decline as their labor demand will fall (point C). Thus, if natives and immigrants are substitutes, competition between them will lead to negative results in the labour market. On the other hand, if natives and immigrants are complements (Graph 2), natives will benefit from the entry of immigrants in the labor market increasing both their wages ($W \rightarrow W'$) and employment ($Q \rightarrow Q'$). Natives and immigrants will complement each other increasing the overall labor demand ($L_d \rightarrow L_d'$). Empirical evidence at that time, suggested that immigrants' effect on natives' wages was negative but minimal. On the other hand, immigrants' effect on immigrant wages was significant.⁵⁵

In 1990, Card⁵⁶ tested Borjas' theory by looking at the large inflow of Cuban immigrants in the Miami labor market that happened in 1980. According to the data available, 50% of the Mariel immigrants settled permanently in Miami.⁵⁷ This specific event was a perfect instance to examine the effect that low-skilled immigrants have on the wages and employment of native workers. It was an ideal "natural experiment"; a large, sudden wave of immigrants entering the Miami labor market, which allowed to test the economic theory in practice.

Card found that immigrants increased the Miami labor force by 7% and importantly increased the labor supply of low-skilled workers even more because most of the immigrants were relatively unskilled. However, the inflow of Mariel immigrants had no effect on the wages

⁵⁵ Borjas, "Economic Theory and International Migration", *The International Migration Review*, Vol. 23, 1989.

⁵⁶ Card, "The Impact of the Mariel Boatlift on the Miami Labor Market", *Industrial and Labor Relations Review*, Vol. 43, No.2, 1990.

⁵⁷ Ibid, p.246.

and unemployment rates of low-skilled workers. Mariel immigrants effected the wages of neither non-Cuban workers nor other Cubans. Interestingly, the data suggests that a remarkably rapid absorption of the Mariel immigrants into the Miami labor force happened.⁵⁸

According to Card this happened for two reasons. First, individuals respond to expected labor market opportunities thus they migrate to labour markets that could absorb them. Specifically, Cuban immigrants migrated to Miami because the structure of Miami's industry was able to absorb them as it was in need of low-skilled labor. Miami's high concentration of textile and apparel industries allowed Mariel immigrants to take unskilled jobs that earlier Cuban immigrants did not want anymore. Also, the high concentration of Hispanics in Miami, allowed non-English speaking Mariel immigrants to be easily absorbed in the labour market as the role of language played a smaller effect. At the same time, native workers affected by the inflow of immigrants could have migrated to places where there was an increasing labor demand offsetting the negative effects of migration. Like Mariel immigrants migrated to Miami, other individuals could have migrated elsewhere leading to an overall positive labor market equilibrium. In a nutshell, Card suggests that the labour market is dynamic responding to changes and not static as Borjas and the neoclassical model is implying.

In 2003, Borjas⁵⁹ revisited the impact of immigration on the labour market. Borjas agreed with Samuelson's assertion that in the textbook-model of a competitive labour market, an immigrant influx will lead to lower wages for competing factors.⁶⁰ Borjas criticized the geographic-dispersion-approach arguing that "the local labour market can adjust in far too many ways to provide a reasonable analogue to the "closed market" economy that underlies the

⁵⁸ Card, "The Impact of the Mariel Boatlift on the Miami Labor Market", *Industrial and Labor Relations Review*, Vol. 43, No.2, 1990, p.256.

⁵⁹ Borjas, "The Labour Demand Curve Is Downward Sloping: Reexamining the Impact of Immigration on the Labour Market", *The Quarterly Journal of Economics*, 2003.

⁶⁰ Ibid, p.1335.

textbook supply-and-demand framework.”⁶¹ He also criticized the factor-proportions-approach arguing that it is too general, and it does not examine how certain shocks disproportionately affect some workers in relation to others. Overall, Borjas supported that studies like the Mariel Boatlift imply that the more firms and workers adjust to the immigrant supply shock, the smaller the cross-region correlations will be – disregarding migrants’ actual effect on native workers.⁶²

In this paper, Borjas assumed that both schooling and work experience play a role in defining a skill group.⁶³ Thus, he assumed that similarly educated workers with different levels of experience are not perfect substitutes. Taking both variables into consideration, he found that immigration had an importantly negative impact on the labour market opportunities of native workers. Borjas looked at men between the ages of 16-64 and found that between 1980 and 2000, the labour supply of working men increased by 11.0 percent, while the wage of native workers decreased by 3.2 percent. Importantly, he found that the wage impact was disproportionate with high school dropouts being the most affected with an 8.9 percent decrease.

It is interesting how Borjas mentioned in his conclusion that he ignored the potential benefits that immigrants will have in the host country. As he stated⁶⁴,

[the] analysis ignored the long-run capital adjustments induced by immigration, the role played by capital-skill complementarities, and the possibility that high-skill immigration is an important engine for endogenous technological change

Thus, Borjas acknowledged that he is focused only on the short-run, negative (based on his findings) effects of low-skilled migration.

⁶¹ Borjas, “The Labour Demand Curve Is Downward Sloping: Reexamining the Impact of Immigration on the Labour Market”, *The Quarterly Journal of Economics*, 2003, p. 1339.

⁶² Ibid, 1369.

⁶³ Ibid, p.1336.

⁶⁴ Ibid, p.1370

In 2009, Peri and Sparber⁶⁵ came to support the evidence provided by Card in 1990 with the development of a model focusing on specialization. Their evidence came in contrast with Borjas' findings. As they argue if workers' skills are differentiated only by educational attainment/skill level, and the production technology and productivity of each type of labor are given, then a large inflow of low-skilled migrants could be shown to have a negative effect on the wages of native workers. This comes in alignment with Borjas findings. However, it can be the case that workers with similar observable characteristics are imperfect substitutes.⁶⁶ Migrants and natives with comparable educational attainment and experience tend to have different unique skills. According to Peri and Sparber, workers will eventually specialize on what is best for their abilities eliminating the effect on wages since immigrants and natives will become complements.

Large inflows of less-educated immigrants may reduce wages paid to comparably-educated, native-born workers, However, if less educated foreign- and native-born workers specialize in different production tasks, because of different abilities, immigration will cause natives to reallocate their task supply, thereby reducing downward wage pressure.⁶⁷

Empirical research at that time suggested that immigrant workers tend to specialize in manual labor tasks as they have imperfect language skills and physical skills similar to native-born workers. Immigrants have a comparative advantage in manual labor tasks, and consequently natives will have a comparative advantage in jobs demanding higher communication skills. This will lead workers to specialize accordingly and become complements. The market will benefit from specialization as productivity will increase. Importantly, language-intensive jobs tend to

⁶⁵ Peri & Sparber, "Task Specialization, Immigration, and Wages", *American Economic Journal: Applied Economics*, 2009.

⁶⁶ Ottaviano & Peri, "Rethinking the Effect of Immigration on Wages", *Journal of the European Economic Association*, 2012.

⁶⁷ Peri & Sparber, "Task Specialization, Immigration, and Wages", *American Economic Journal: Applied Economics*, 2009, p.135.

earn a comparatively higher wage in relation to manually intensive jobs. Also, the wage could be further increased by the increased aggregate supply of complementary manually intensive jobs. Productivity gains from specialization in addition to higher wages paid to communication skills will offset the adverse effect on the wages paid to native workers. Indeed, according to Peri & Sparber⁶⁸, migration reduced average real wages of less-educated US-born workers by 0.3 percent between 1990 and 2000. Without task specialization the impact would have been bigger at 1.2 percent.

In 2015, Borjas⁶⁹ reassessed Card's original data and supported that Card chose wrong comparisons leading to positive results. As he emphasized, the effect of migration on the wage structure largely depends on the difference between the skills of immigrants and natives.⁷⁰ Borjas supported that at least 60 percent of the Mariel immigrants were high school dropouts while the group made over a quarter of the city's workforce. Thus, Borjas replicated the results by looking at what happened to the pre-existing group of high school dropouts in Miami. In order to do so, he looked at the wage trends of non-Hispanic men; 55.1% of the non-Hispanic dropouts in Miami were black. According to this evidence, the key native-born population potentially affected by the Marielitos was the low-skilled African American workers. Borjas found that the wages of high school dropouts between 1977-1979 and 1981-1986 fell dramatically (10-30%) which was a very unusual event compared to the wage trends of other cities at that period of time. He also supported that Card's "placebo" group was wrong leading to a weaker measured impact of migration. Overall, Borjas' paper emphasized on the evolution of measurements and

⁶⁸Peri & Sparber, "Task Specialization, Immigration, and Wages", *American Economic Journal: Applied Economics*, 2009, p.165.

⁶⁹ Borjas, "The Wage Impact of the Marielitos: A Reappraisal" *ILR Review*, 2015.

⁷⁰ Ibid, p.30.

argued that reexamining old data with new ideas could reveal different trends that could alter our way of thinking.

The debate evolved when, in 2016, Peri and Yasenov⁷¹, replicated Card's original data using different methods in comparison to Borjas. Peri and Yasenov also looked at high school dropouts but did not find any negative effects. They argued that Borjas used a really small sample which resulted in noise and measurement errors. Additionally, there were two important events at that period, which could have affected the wages and employment opportunities in the labor market. First, there was an increase in the minimum wage in 1981 and secondly, there was a recession in 1982; consequently, an accurate control is of outmost importance. Peri and Yasenov first replicated the results with a larger sample and also used new mechanisms that allowed for immigrant complementarity, technology, and efficiency adjustments going beyond the one-dimensional neoclassical model that Borjas consistently uses. Using evolved methods in comparison to the study by Card in 1990, Peri and Yasenov found no evidence of negative wage and employment effects. They rather found that the deviation of low-skilled wages in Miami post 1979 was small, non-significant and positive.

Finally, in 2017 Clemens and Hunt⁷², brought additional support to Peri and Yasenov's claim that the selection of narrow subgroups can lead to different results. They also stressed that specification choices in the use of instrumental variables can impact the results. They argued that Borjas' small sample of non-Hispanic workers was affected by a large, simultaneous, and irrelevant increase of the share of blacks in the original survey data. Black Miamians at that time had considerably low wages negatively affecting the results. Clemens and Hunt substantiated

⁷¹ Peri & Yasenov, "The Labor Effects of the Refugee Wave: Synthetic Control Method meets the Mariel Boatlift", *IZA Institute of Labor Economics*, 2017.

⁷² Clemens & Hunt, "The Labor Market Effects of Refugee Waves: Reconciling Conflicting Results", *IZA Institute of Labor Economics*, 2017.

their evidence further by looking at refugee waves showing that the impact of immigration on average native-born workers is small, while the impact on low-skilled workers is not detrimental. Overall, they agreed with Borjas that the “reanalysis of prior results often advances social science”, but in doing so, they led to strikingly different conclusions.

1.4.1 Current Debate

In this section, I will emphasize on the last findings that exist and more specifically on Clemens and Hunt’s (2017) paper in contrast to Borjas’ (2015) results. In his article,⁷³ Roodman supports that Borjas’ results are weak evidence on immigrants’ negative effect on the wages and employment of natives, especially of the low-skilled workers. As Clements and Hunt highlight, the arrival of the Marielitos came at the same time as the Census Bureau increased its coverage of the black Miamians. Black Miamians had especially low wages, which was highlighted in Borjas study. I agree with Roodman’s position and will support my argument below.

First, Roodman looks at the wages of low-education workers in 1980 and finds that their wages do not seem to have fallen since the drop is not sudden or big. He emphasizes that one can interpret the results differently in relation to their prior and argues that Borjas finds such results since he is preoccupied to find negative effects of immigrants on natives in the labor market. “The Borjas data are compatible with the hypothesis that wages fell at a constant rate between 1977 and 1986, with no break from trend in 1980 or any other year in that span.” Since no sudden drop is seen in 1980, the year that Mariel Boatlift immigrants entered the Miamian labor market, one cannot argue that Mariel boatlift immigrants were the ones that caused the fall in the wages of native workers.

⁷³ Roodman, “Four Points on the Debate Over the Impact of the Mariel Boatlift”, *David Roodman*, 2017.

Secondly, Roodman argues that, as Clemens and Hunt highlighted, Borjas' negative results stem from the fact that the Census Bureau incorporated the wages of more low-income blacks. The Census Bureau provides weights that can compensate for such changes, but as Clemens and Hunt showed, these weights do not correct for the under-coverage of black Miamians before 1980. Thus, Borjas' negative long-term effects in wages is caused from the coverage of low-income blacks in both data sets further weakening Borjas' evidence of a negative long-term impact.

Roodman re-emphasizes that Borjas' sample size is really small. As Clemens explained in another article,⁷⁴ Borjas left out 91 per cent of the low-skilled workers in Miami leaving him with a tiny sample of just 17 workers per year. Last but not least, Roodman states that it is really valuable that researchers, like Borjas, are increasingly more transparent making their data and computer code available, as it allows for greater debate on issues such as the one I am examining on this chapter.

Overall, a long literature in labor economics has come to a consensus that immigrants' effect on native workers' wages and employment is small or zero. On the same line, as I have already stated, I support that immigrants do not have a negative effect on the wages and employment of native workers supporting my claims with evidence provided by Card, Peri et al., Yasenov, Clemens, Hunt, and Roodman. I perceive Borjas' claims to be preoccupied and have supported my beliefs with evidence from various economists.

⁷⁴ Clemens, "There's no evidence that immigrants hurt any American workers", *Vox*, 2017.

1.5 Migration Literature Applied to Immigrant Integration

Borjas (1989)⁷⁵ has stressed that migration might suppress wages and employment opportunities for low-skilled native-born workers and earlier immigrants if new immigrants become substitutes for similarly low-skilled workers. However, economic research has shown that migration has zero or positive effects on the wages and employment of native workers. Immigrant integration will boost these positive effects on the labor market as it will allow for the successful specialization of immigrants and will thus complementary respond to labor market demands. Specifically, economic integration aims to “develop a skilled workforce responding to labor market needs, promoting job quality and lifelong learning”⁷⁶. Immigrants’ greatest contribution comes when they are well integrated, and their skills are properly used according to the host country’s needs.

According to Card (1990)⁷⁷, immigrants will optimally choose destination countries where their skills are more highly demanded, and the labor market can absorb them effectively. Thus, in the EU, immigrants will migrate to countries where their skill-set is more highly demanded expecting to be employed at jobs where their skills match. However, in the EU immigrants face a high over-qualification rate and thus a skill-job mismatch⁷⁸. The number of highly-educated migrants has increased rapidly in the past decade, but much of migrants’ potential is currently not used. In 2010/11, 10 million highly educated migrants were not employed in the OECD and a further 8 million were formally overqualified for their job⁷⁹. Part of the economic integration policies in the EU is to ensure that there is successful match between

⁷⁵ Borjas, “Economic Theory and International Migration”, *The International Migration Review*, Vol. 23, 1989.

⁷⁶ European Commission, “Europe 2020, Integrated guidelines for the economic and employment policies of the Members”, 2010.

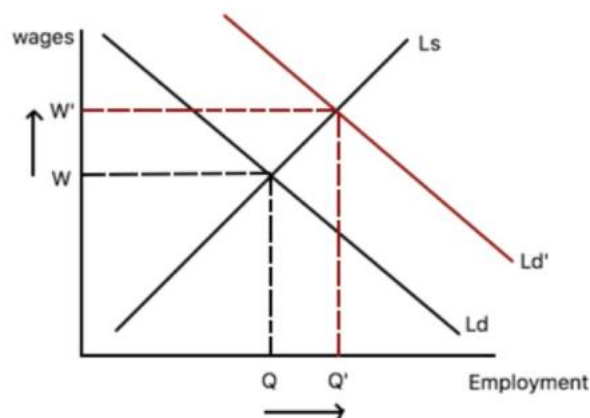
⁷⁷ Card, “The Impact of the Mariel Boatlift on the Miami Labor Market”, *Industrial and Labor Relations Review*, Vol. 43, No.2, 1990.

⁷⁸ Eichhorst et al., “The Integration of Migrants and its Effects on the Labour Market”, *IZA Research Report No. 40*, 2011.

⁷⁹ OECD, European Commission, “Matching Economic Migration with Labour Market Needs”, 2014.

the skills of immigrants and their job.⁸⁰ This will lead to immigrants positively responding to the needs of the economy and complementary responding to the labor market.

Figure 1.4: Labour Market Immigrant Integration



Going back to the graph of the labour market, labour market immigrant integration will match the skills of immigrants with the needs of the economy resulting to migrants and natives being complements in the economy and thus higher wages ($W \rightarrow W'$) and employment ($Q \rightarrow Q'$). It is expected that the

successful integration of migrants will lead to both short-run and long-run positive effects in the labor market as expressed in the wages and employment of native workers as its aim is to facilitate the positive effects of migration.

According to Peri & Sparber (2009)⁸¹, immigrants and natives with comparable educational attainment and experience tend to have unique skills making them imperfect substitutes. This will lead them to specialize on tasks that are best for their abilities eliminating the effect on wages since immigrants and natives will become complements. Peri and Sparber's argument was based on empirical research at that time, which suggested that immigrants tend to specialize in manual labor tasks as they have imperfect language skills and physical skills similar to native-born workers. D'Amuri and Peri (2010)⁸² analyzed the effect on immigration on natives' job specialization in Western Europe and found that immigrants and natives tend to specialize in different production tasks. Specifically, the average native worker increasingly

⁸⁰ Migrant Policy Index 2015, Labour Market Mobility Policies, <http://www.mipex.eu/key-findings>.

⁸¹ Peri & Sparber, "Task Specialization, Immigration, and Wages", *American Economic Journal: Applied Economics*, 2009.

⁸² D'Amuri & Peri, "Immigration and Occupations in Europe", *CReAM Discussion Paper No. 1026*, 2010.

specializes in more complex production tasks, while the average immigrant worker is increasingly specializing in more routine, manual jobs. However, immigrant workers' specialization in more routine, manual jobs could also be seen as a result of the difficulties in transferring skills across borders.⁸³

In recent years, foreign-born workers are increasingly concentrated in the service sector. Immigrants tend to be over-represented in the hotel and food services, in administrative and support service activities and in jobs where the employer is the household.⁸⁴ These changes are happening as Europe as a whole is transforming from being a production economy to a service economy. We can see in the graph that the percentage change of the employment in the service sector from 2007 – 2014, has been increasing. In 2014, 71.05% of the total EU labor force was employed in the service sector.

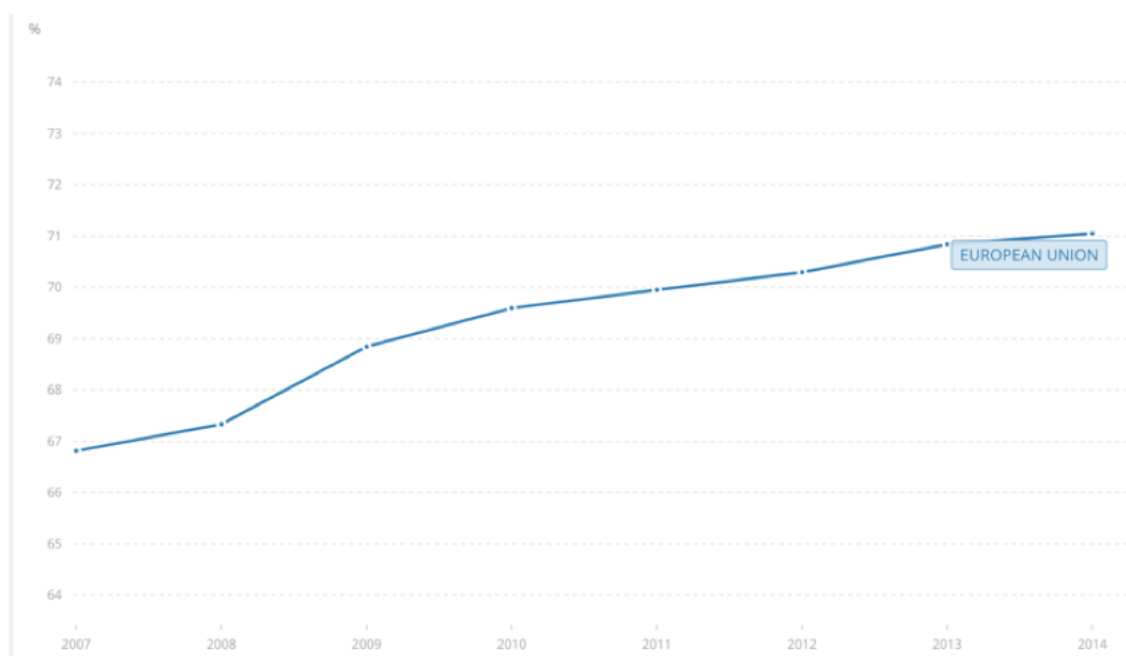


Figure 1.5: Employment in services in EU-27 (% of total employment)
International Labour Organization, ILOSTAT database. Data retrieved March 2017.

⁸³ Eichhorst et al., “The Integration of Migrants and its Effects on the Labour Market”, *IZA Research Report No. 40*, 2011, p.39.

⁸⁴ Ibid, p. 35.

Additionally, the recent economic crisis affected the manufacturing, construction, and financial sector further reducing the share of such jobs provided in the labor market as a whole.⁸⁵ In the manufacturing sector, immigrants are under-represented in relation to natives in the majority of the EU countries. Based on OECD data⁸⁶, the immigrant share of employment in the manufacturing sector declined in relative terms between 2000 and 2005-2006 in all OECD countries, while an increasing proportion of immigrants are employed in the service sector.

Based on the empirical research provided by Peri and Sparber one could argue that language acquisition through integration could lead to natives and immigrants becoming substitutes in the economy negatively affecting the wages and employment of native workers. Empirical research at that time suggested that immigrants tend to specialize in manual labor tasks as they have imperfect language skills and physical skills similar to native-born workers. However, based on current empirical evidence in Europe, language acquisition could be seen as an integral part for immigrants' successful specialization to the service sector. Speaking the native language or other languages could help immigrants being more successful in the service sector. Having said that, language acquisition through the integration of migrants should not be seen a threat to the native workforce in the EU.

Also, language acquisition and labour market integration could lead to greater autonomy of migrants allowing them to participate in the labour market without the need of social networks. This effect could be expanded with integration policies as a whole where learning the culture and norms could lead to effective, independent participation in mainstream institutions. This way, market adjustment to migration would be faster and efficiency will be increased.

⁸⁵ Eichhorst et al., "The Integration of Migrants and its Effects on the Labour Market", *IZA Research Report No. 40*, 2011, p. 36.

⁸⁶ OECD, "International Migration Outlook 2008", 2008.

The successful labour market integration of migrants will lead to equality in pay and work-related rights not allowing employers to choose immigrants instead of natives because they can pay them an inferior wage. A lack of the protection of immigrants' rights could lead to their exclusion and exploitation. Importantly, the protection of immigrants could benefit national workers by preventing a race to the bottom in relation to immigrants' pay and working conditions. This will thus not result in negative labour market consequences for natives.

Overall, immigrants contribute to the host countries' economies complementary responding to labour market needs. However, the full potential of immigrants' skills is not always efficiently used because of the ineffective transferability of skills. This could be caused because there is non-equivalence and/or non-recognition of qualifications, lack of language skills, or restricted access to specific occupations.⁸⁷ Effectively using the full potential of immigrants' skills is an important challenge for the EU especially at a time when the EU is experiencing an increasingly ageing population and a growing demand for skills as their economies become more knowledge-based.⁸⁸ Migration can only continue to have a positive impact in the economy and the labor market if immigrants are well-integrated and their skills are properly used.

⁸⁷ OECD, ILO, World Bank. "The Contributions of Labor Mobility to Economic Growth." *Joint paper for G20 Labour and Employment Ministers' Meeting, September 2015*, 19.

⁸⁸ *Ibid*, p.13.

1.6 Recommended Policy: Immigrant Integration

In an increasingly globalized world, where migration is an integral part, it is important to accurately reflect the migration impact and its positive effects. Importantly, immigrants' positive contribution to society and development is directly related to their successful integration.⁸⁹ Based on the international human rights framework, immigrants' integration is part of their human rights. In the EU, law and developing norms call on member states to implement migration policies that will successfully integrate migrants into society. National authorities are called to be responsible to ensure labor market mobility, family reunion, education, political participation, permanent residency, nationality, anti-discrimination, and health for immigrants.^{90, 91} Such conditions will help immigrants to be active participants in the development of their destination countries and positively contribute to the economy.

Importantly though, migration 'governance' meaning the collection of national laws, policies, and practices, supported by an emerging international framework –both binding and non-binding– could vary across states. This is the case with the integration of immigrants where states regulate their own economic, social and cultural interests integrating immigrants analogously. Nevertheless, the conditions of the integration of immigrants should always be defined by the international human rights framework, including the protection of their economic, social and cultural rights.⁹² Migration can have a strong positive impact on the state's economic, social and cultural development when immigrants are well-integrated accordingly.

⁸⁹ UNDP - Human Development Report, "Overcoming barriers: Human mobility and development" *Palgrave Macmillan*, 2009.

⁹⁰ IOM, "World Migration Report 2015", 2015.

⁹¹ Migrant Integration Policy Index 2015, <http://www.mipex.eu/>

⁹² OHCHR, "The Economic, Social and Cultural Rights of Migrants in An Irregular Situation", 2014.

One should point out that an important challenge for migration governance is the existence of tension between the increasing international attention to migration and the growing national anti-migrant, xenophobic sentiments. This tension calls for the effective migration governance and international cooperation in order to alleviate the increasing hostility at the national level. After showing that immigrants do not have a negative effect on the employment and wages of native workers, I have argued that their effective integration will lead to apparent positive results at the national level and it will hopefully alleviate such tensions.

Chapter Two: European Immigrant Integration

2.1 Introduction

Since the establishment of the European Union, integration has been at the core of EU policies. The European integration process in the EU started with the establishment of an internal market.⁹³ At that time, integration aimed to facilitate the mobility of EU-national migrant workers across the internal borders of member states, where they would enjoy equality, non-discrimination, family reunification and secure judicial status.⁹⁴ In the 1990s,⁹⁵ the focus of integration shifted from EU-nationals to TCNs and since then the EU has aimed at the development of a common EU framework on the integration of TCNs as part of the Area of Freedom, Security and Justice.⁹⁶ Integration has now been incorporated in migration management aiming to secure access to rights, security, and social inclusion to third-country nationals.⁹⁷ As stated in the Common Basic Principles for Immigrant Integration Policy in the European Union (CBP), which was one of the first & most important steps towards a common EU framework, immigrant integration is seen as a “dynamic, two-way process of mutual accommodation by all migrants & residents of member states”⁹⁸. Thus, immigrant integration is seen as an active process that is facilitated by both immigrants and Member States. Overall, in today’s globalized world where people are moving around the world at an increasing rate, Europe has increasingly been challenged to integrate not only EU-nationals but also third-country nationals; a reality that has modified the initial understanding of what integration meant to include.

⁹³ Barnard & Scott, “The Law of the Single European Market: Unpacking the Premises”, *Hart Publishing*, 2002.

⁹⁴ Groenendijk, “Integration Policy and Community Law”, *The Nexus between Immigration, Integration and Citizenship in the EU*, 2006.

⁹⁵ Tampere European Council 15 And 16 October 1999.

⁹⁶ Carrera, “Benchmarking Integration in the EU: Analyzing the debate on integration indicators and moving it forward”, *BertelsmannStiftung*, 2008.

⁹⁷ European Union, “Charter of Fundamental Rights of the European Union”, 2012.

⁹⁸ European Commission, “Common Basic Principles for Immigrant Integration Policy in The EU”, 2004.

Globalization has increasingly altered the position and institutional features of the nation-state. The model of post-national citizenship, as exemplified in the European Union, has been a response to the challenges of globalization. The model insists on the importance of the nation-state and its sovereignty while at the same time it advocates for a form of membership that transcends the boundaries of the nation-state⁹⁹. As Soysal argues¹⁰⁰, rights and obligations are no longer defined based on nationality but on universal personhood. Immigrant integration is caught in this intersection, where the integration of migrants is seen as an integral part of their human rights, but member states still perceive migration and immigrant integration policies to be at the heart of national sovereignty.

Even if the EU has been aiming towards a collective response to migration and immigrant integration with respect to migrants' human rights, member states still perceive migration and immigrant integration policies to be at the heart of national sovereignty. The European approach has been to encourage what is typically referred to as a 'process of convergence' among states with regards to immigrant integration. Thus, the European Union in its 'process of convergence' has been increasingly using non-legislative policy-making and soft-law governance techniques¹⁰¹. European immigrant integration is primarily based on "knowledge-sharing, policy coordination and the exchange of information."¹⁰² Since 2004, the EU has taken important steps towards immigrant integration. A set of Common Basic Principles for Immigrant Integration Policy (CBPs)¹⁰³, three Handbooks on Integration for Policy-makers and Practitioners¹⁰⁴, three

⁹⁹ Anderson, "Imagined Communities: Reflections on the Origin and Spread of Nationalism", 1983, p. 137.

¹⁰⁰ Soysal, "Limits of Citizenship: Migrants and Postnational Members in Europe", 1997.

¹⁰¹ Mulcahy, "Europe's Migrant Policies: Illusions of Integration", *Palgrave Macmillan*, 2011, p. 32.

¹⁰² Carrera, "Benchmarking Integration in the EU: Analyzing the Debate on Integration Indicators and Moving It Forward", *BertelsmannStiftung*, 2008, p. 6.

¹⁰³ European Commission, "Common Basic Principles for Immigrant Integration Policy in The EU", 2004.

¹⁰⁴ European Commission, "Handbook on Integration for policy-makers and practitioners", 1st Edition; 2004, 2nd Edition; 2007, 3rd Edition; 2010.

Annual Report(s) on Migration and Integration¹⁰⁵, the National Contact Points on Integration¹⁰⁶, a European Web Site on Integration focusing on immigrant integration¹⁰⁷, as well as the European Fund for Integration of third-country nationals (EIF)¹⁰⁸ are among the steps that the EU has taken towards a collective response to immigrant integration.

The most positive step towards a collective response to the integration of TCNs was taken in 2016, with the Action Plan¹⁰⁹. Stressing the increasing levels of discrimination, prejudice, racism and xenophobia in the last few years, the European Commission stated that it is Europe's legal, moral and economic imperatives to uphold fundamental rights, values and freedoms. The European Commission concluded that the integration of immigrants is a common interest to all Member States and investing in immigrant integration policies will lead to positive long-run effects. The Action Plan highlighted that employment is a core element of the immigrant integration process and urged countries to focus their efforts on the promotion of labour market integration of third-country nationals. Importantly, it was not the first time that employment's importance was emphasized. In the First Annual Report on Migration and Integration¹¹⁰, published in 2004, "access to employment" became "the most important political priority within national integration policies". It also appeared in the Common Basic Principles,

¹⁰⁵ European Commission, "Annual Report on Migration and Integration", 1st Report; 2004, 2nd Report 2005; 3rd Report; 2007.

¹⁰⁶ "NCPs are national structures established and financed by governments of the 28 EU member states and the states associated to the framework programme"

https://ec.europa.eu/research/participants/portal/desktop/en/support/national_contact_points.html

¹⁰⁷ European Commission, "European Web Site on Integration: Migrant Integration Information and Good Practices", <https://ec.europa.eu/migrant-integration/home>.

¹⁰⁸ European Commission–Directorate-General Justice, Freedom & Security, "European Fund for The Integration of Third-Country Nationals 2007-2013" 2007.

¹⁰⁹ European Commission, "Action Plan of the Integration of Third Country Nationals", 2016.

¹¹⁰ European Commission, "Annual Report on Migration and Integration", 1st Report; 2004

the same year, as a “key part of the integration process”¹¹¹ making immigrants’ contributions to society visible (CBP3).

However, the official EU stance on the direction of immigrant integration policies as a whole remains rather ambivalent. The CBPs, the “principles against which [Member States] can judge and assess their own [integration] efforts” allow room for a wide range of interpretation. This is a reflection of the complicated national histories of responding to minorities and new immigrants in different European states. Countries have a wide range of policies and underlying theories, but one of the principal areas of uncertainty has been how to address the questions of cultural diversity.

Starting in the 1970s, several European countries realized the increased prevalence of immigrants and discussions emerged about how to deal with this consistently disadvantaged portion of the population. In Europe, the predominant response around that time was multiculturalism. However, after the turn of the century, politicians and academics started to challenge the effectiveness of multiculturalism.^{112,113} Countries started implementing stricter migration policies and more demanding immigrant integration requirements including the knowledge of the host society’s language, history, and institutions (CBP4)¹¹⁴. On the other hand, some countries started taking more encouraging steps towards immigrant integration. Countries, like Germany and Austria, that had no immigrant integration policies before created immigrant integration policies and acknowledged their status as an immigration country.¹¹⁵ Nevertheless, this does not mean that the debate around immigrant integration is yet resolved.

¹¹¹ European Commission, “Common Basic Principles for Immigrant Integration Policy in The EU”, 2004

¹¹² Weaver, “Angela Merkel: German Multiculturalism Has ‘Utterly Failed,’” *The Guardian*, 2010.

¹¹³ Burns, “Cameron Criticizes ‘Multiculturalism’ in Britain,” *The New York Times*, 2011.

¹¹⁴ Joppke, “Beyond national models: Civic integration policies for immigrants in Western Europe”, *Western European Policies*, Vol. 30, 2007, p.8.

¹¹⁵ Choquet, “Models of Integration in Europe” *Fondation Robert Schuman*, 2017.

Overall, the literature around the immigration and integration of migrants has been extensive. Integration policies in relation to third-country nationals in the European Union started in 1999¹¹⁶. Since then, there have been a lot of normative developments and policy changes that are connected to the literature around integration. There has been a lot of academic debate about how immigrant integration works, the efficacy of certain approaches to immigrant integration, and whether or not European integration policies for migrants are converging. On the policy level, the European Union has commissioned some researchers in order to find the best indicators that determine the success of immigrant integration and the factors that determine the immigrant integration outcomes. The Migrant Integration Policy Index (MIPEX)¹¹⁷ is the most effective tool that has been developed. It analyzes immigrant integration in eight policy areas - labour market mobility, education of children, political participation, family reunion, access to nationality, health, permanent residence and anti-discrimination –based on the highest European and international standards drawn from the Council of European Conventions, European Union Directives and international conventions.

2.2. Academic Theories on Immigrant Integration

It is common to associate the idea of immigrant integration with that of a “model” categorizing each country according to a specific “pattern” when dealing with migration. Importantly, cultural, linguistic and religious diversity could be treated differently according to different political systems. Michael Walzer offers a classification of the political systems according to their approach to diversity. He defines five “political tolerance systems” in the West: multinational empires, international society, consociations, nation-states and immigration

¹¹⁶ Tampere European Council 15 And 16 October 1999.

¹¹⁷ Migrant Integration Policy Index, <http://www.mipex.eu/>

societies.¹¹⁸ According to Walzer, these systems differ by their specific management of cultural, linguistic, and religious diversity laying the foundation of a certain mode of cohabitation. Categorizing the countries of the European Union based on Walzer's classification system, we would argue that 'nation-states' is the prevailing model.

The nation-state means that "a single dominant group organizes life together according to its own history and culture."¹¹⁹ In the European Union, each country has its own dominant ethnic group -majority- sharing a common history and culture. The State recognizes and accepts the existence of minorities in its territory, but its tolerance is limited not challenging the cultural and linguistic monopoly granted to the majority. This collective approach is directly related to integration. In nation-states, integration does not only involve migrants; it involves the entire population. According to Marcel Mauss, "there cannot be a nation without there being a certain integration of society"¹²⁰, since by definition the nation is "a society materially and morally integrated, with a stable and permanent central authority, with determinate borders, whose inhabitants possess a relative moral, mental, and cultural unity and consciously adhere to the state and its laws"¹²¹ Thus, immigrant integration is inseparable from national integration as a whole explaining the link that is established between national identity and migration. Immigrants have to become integrated as it is expected from nationals serving to the definition both of the nation by Mauss and the nation-state by Walzer.

Mauss argues that integration is a consequence of 'individualization' writing that "a nation worthy of its name has its *own* civilization (aesthetic, moral, material) and almost always its *own* language. It has its *own* mentality, its *own* sensibility, its *own* morality, its *own* will, its

¹¹⁸Walzer, "On Toleration" *Yale University Press*, 1997.

¹¹⁹*Ibid.*

¹²⁰Mauss presented by Fournier and Terrier "La nation", Paris *Presses Universitaires de France*, 2013.

¹²¹ *Ibid.*, p.584.

own form of progress”¹²². Thus, ‘individualization’, as Brubaker¹²³ rightly says in his analysis of Mauss’ theory, has a dual aspect. First, internal homogenization *vis a vis* integration, and secondly, external differentiation. Mauss further argues that migration accentuates this desire of the nation to maintain its individuality.¹²⁴ However, as he later observes what we today call globalization has resulted in a “state of permeation and growing mutual dependency”¹²⁵ leading to “mentalities of nations... more open than ever before to each other”.¹²⁶ As Brubaker addresses this could lead to integration on a super-national scale and consequently to the de-individualization of the nation.¹²⁷

Globalization has increasingly altered the position and institutional features of the state. Globalization forces have destabilized the role of the state and more specifically that of the nation-state. The model of post-national citizenship comes as a response to the destabilization of national citizenship. One could argue that the model of post-national citizenship is exemplified in the European Union. Quoting Benhabib, “The European Union reproduces at the supranational level the internal tensions which have accompanied the birth of modern nation-states, while also showing their evolution along a different path.”¹²⁸ The model insists on the importance of the nation-state and its sovereignty while at the same time it advocates for a form of membership that transcend the boundaries of the nation-state¹²⁹. As Soysal argues¹³⁰, rights and obligations are no longer defined based on nationality but on universal personhood.

¹²² Mauss presented by Fournier and Terrier “La nation”, Paris *Presses Universitaires de France*, 2013, p.591.

¹²³ Brubaker, “Marcel Mauss on Nationhood: Objectivism and Its Limits”, *Studies on Nationalism*, 2004, pp. 109.

¹²⁴ Mauss presented by Fournier and Terrier “La nation”, Paris *Presses Universitaires de France*, 2013, p.595.

¹²⁵ Ibid, p.607.

¹²⁶ Ibid, p. 624.

¹²⁷ Brubaker, “Marcel Mauss on Nationhood: Objectivism and Its Limits”, *Studies on Nationalism*, 2004, pp. 111.

¹²⁸ Benhabib, *Transformations of Citizenship: The Case of Contemporary Europe* (Government and Opposition, 2002), 461.

¹²⁹ Ibid., 137.

¹³⁰ Soysal, “Limits of Citizenship: Migrants and Postnational Members in Europe”, *The University of Chicago Press Books*, 1997.

In the post-national citizenship model, citizenship moves away from nationhood to personhood.¹³¹ Rights are expanded beyond those reinforced by national attribute and are now extended to include individuals that were previously excluded. Post-national citizenship is a postwar phenomenon facilitated by the increasing flow of goods and people especially the labor migration that occurred after World War II.¹³² The model moves away from fixed to fluid boundaries. However, this does not mean that the state has fluid boundaries.¹³³ The nation still has the right to exclude. Importantly though, its right to exclude must be based on a firm explanation as humanitarian arguments for migration play greater importance. All nations are held accountable to the same human rights.

Based on the EU human rights framework, integration is seen as immigrants' fundamental right.¹³⁴ Here it is important to distinguish between the terms assimilation and integration. Assimilation means the total abandonment of one's culture of origin.¹³⁵ On the other hand, integration allows the attachment to one's original culture while at the same time internalizing the behavioral standards of society¹³⁶. Assimilation has been deemed as a negative way of incorporating minorities into society. Although "assimilation" has been banned from the official language, one should be careful and realize that the term "integration" which has replaced it still indicates a certain degree of acculturation. Nowadays, the Nation State expects migrants to learn the official language, respect the culture and values (CBP4) and many times

¹³¹ Soysal, "Limits of Citizenship: Migrants and Postnational Members in Europe", *The University of Chicago Press Books*, 1997, p. 137.

¹³² Ibid., 140.

¹³³ Ibid., 141.

¹³⁴ European Union, "Charter of Fundamental Rights of the European Union", 2012.

¹³⁵ Gordon, "Assimilation in America: Theory and Reality." *The MIT Press on behalf of American Academy of Arts & Sciences* 90.2, 1961.

¹³⁶ Choquet, "Models of Integration in Europe" *Fondation Robert Schuman*, 2017.

comply with the majority's way of life.¹³⁷

2.2.1 *Assimilation & Assimilationist Integration*

Integration policies that follow the assimilationist perceptive claim blindness in relation to the cultural and religious differences that groups have.¹³⁸ Based on the principle of equal dignity for all citizens, "assimilationist" integration policies are built on a universalist policy attributing the same rights to all, regardless of their cultural, linguistic and religious differences. Thus, "equality is guaranteed by rigorous identical treatment, independent of differences"¹³⁹. But is the treatment identical? In the assimilationist perspective, it is expected that over time differences will disappear. Thus, even if the purpose of the assimilationist integration perspective is not the erasement of one's culture, language and religion, in practice it could have the same result as to what assimilation used to mean in the 19th century.

Assimilation as a concept first appeared during the large immigration waves of the industrial-era in the late 19th century and was based on three assumptions. First, immigrants will come to share a common culture with the majority as they will be given the same socioeconomic opportunities. Secondly, the adoption of the majority's culture will lead to the gradual disappearance of the migrants' native culture. Finally, once the process has begun it is irreversible; it will inevitably lead to full assimilation.¹⁴⁰ Historically, the assimilationist approach was most prominently used throughout the United States to deal with the European migration waves prior to the 1970s.¹⁴¹ But there are also European examples.

¹³⁷ Joppke, "Beyond national models: Civic integration policies for immigrants in Western Europe", *Western European Policies*, Vol. 30, 2007, p.7.

¹³⁸ Choquet, "Models of Integration in Europe" *Fondation Robert Schuman*, 2017.

¹³⁹ Ibid.

¹⁴⁰ Algan et al., "Cultural Integration of Immigrants in Europe", *Oxford University Press*, 2012, p.4.

¹⁴¹ Gordon, "Assimilation in America: Theory and Reality." *The MIT Press on behalf of American Academy of Arts & Sciences* 90.2, 1961.

France is an example of the “assimilationist” integration approach in the European Union. In the French Jacobin tradition, what matters is the relationship between the individual and the state, without the interference of intermediaries.¹⁴² Consequently, it should not be possible to acknowledge differences in culture or religion in the public sphere. Based on the notion of secularism, France passed a bill in 2004¹⁴³ banning “the wearing of signs or clothes showing a religious affiliation in schools, colleges, and public high schools”. Although the law has been open to interpretation, it seems to be particularly targeting the veil and headscarf, religious symbols mostly connected to the Muslim religion. Small crosses were accepted in schools, which makes the policy rather questionable as crosses are mostly connected to the Christian tradition. France’s majority is Christian, while its biggest minority is Muslim. Thus, it is evident that France’s stance with this policy responded to the cultural majority expecting its minority groups to assimilate.

Importantly, theorists like Able and Nee, have noted that “assimilation has come to be viewed by social scientists as a worn-out theory, which imposed ethnocentric and patronizing demands on minority peoples struggling to retain their cultural and ethnic integrity.”¹⁴⁴ Thus, assimilationist integration policies, the way they were practiced during the twentieth century, have attracted a lot of criticism. Nevertheless, in recent years, an increasing number of European states expect migrants to learn the official language, respect the culture and values (CBP4) and many times comply with the majority’s way of life.¹⁴⁵

¹⁴² Entzinger & Biezeveld, “Benchmarking in Immigrant Integration”, *European Research Centre on Migration and Ethnic Relations*, 2003, p.14.

¹⁴³ Legifrance, LAW n ° 2004-228 of March 15, 2004.

¹⁴⁴ Alba & Nee, “Rethinking Assimilation Theory for a New Era of Immigration,” *International Migration Review* 31 no. 4, 1997, p.827.

¹⁴⁵ Joppke, “Beyond national models: Civic integration policies for immigrants in Western Europe”, *Western European Policies*, Vol. 30, 2007, p.7.

2.2.2 Multiculturalism & Multiculturalist Integration

During the 1970s, the assimilationist rhetoric started to shift into a multicultural dialogue. The multiculturalist perceptive of integration is based on the policy of difference stressing that all citizens must have the right to live according to their culture and religion.¹⁴⁶ Thus, the most important factor of this theory is its demand that “all groups should be recognized”¹⁴⁷. This approach recognizes that universal laws adopted by the majority could be discriminatory for the minority since they are designed by the majority. As Will Kymlicka notes, “the state unavoidably promotes certain cultural identities, and thereby disadvantages others.”¹⁴⁸ Thus, in order to treat individuals fairly, differential policies should be introduced to re-establish equality.¹⁴⁹ Multiculturalism as an immigrant integration policy takes a step further and not only recognizes the right of other individuals to express their differences but also demands from the government to protect the minorities’ culture calling for varying degrees of proactive protection.¹⁵⁰

In Europe, the “multiculturalist” approach is most commonly associated with the United Kingdom or the Netherlands.¹⁵¹ In the UK, the immigrant integration approach taken in the 1970s is exemplified by Roy Jenkins (1967), the then *Home Secretary*. Integration did not mean immigrants losing their own features and national culture. I do not believe that we need a melting pot in this country, which would transform everyone in a common mould, like a sample from a series of carbon copies of the tactless vision that some might have of the British stereotype. I therefore define integration not like the levelling process of assimilation but as equal opportunities, associated with cultural diversity, in an atmosphere of mutual tolerance¹⁵²

¹⁴⁶Choquet “Models of Integration in Europe” *Fondation Robert Schuman*, 2017.

¹⁴⁷Glazer, “We are all Multiculturalists Now” *Cambridge, Mass: Harvard University Press*, 1997, p.14.

¹⁴⁸Kymlicka, “Multicultural Citizenship: A Liberal Theory of Minority Rights”, *Oxford University Press*, 1995, p. 108.

¹⁴⁹Choquet, “Models of Integration in Europe” *Fondation Robert Schuman*, 2017.

¹⁵⁰Moodod, “Multiculturalism, citizenship and national identity”, *Open Democracy*, 2007.

¹⁵¹Joppke, “Beyond national models: Civic integration policies for immigrants in Western Europe”, *Western European Policies*, Vol. 30, 2007, p.8.

¹⁵²Choquet, “Models of Integration in Europe” *Fondation Robert Schuman*, 2017.

However, starting in the 2000s a more secular and rather nationalistic approach was followed. Based on the Robert Schuman Fondation¹⁵³, The Nationality, Immigration, and Asylum Act of 2002 in the UK put forward the symbolic strengthening of national identity. After the Act, people seeking nationality had to take a citizen's test claiming their knowledge of the English language, the institutions, the history, and the law of Britain. Along the same lines, Netherlands' integration policy of TCNs changed also in 2002 following the assassination of "iconic leader"¹⁵⁴ Pim Fortuyn. In the Netherlands, the political elites aimed at achieving migrant participation in mainstream institutions, Dutch-language acquisition and labor market integration.¹⁵⁵ Generally, countries, like the Netherlands and the UK, that were traditionally associated with the "multiculturalist" approach have altered their direction to integration towards a more secular and nationalistic approach.

2.2.3 *EU Stance*

The official EU stance on the direction of immigrant integration policies remains rather ambivalent. More specifically this ambivalence comes in relation to cultural diversity reflecting the broader lack of consensus across Europe as analyzed above. This ambivalence is exemplified in the Common Basic Principles for Immigrant Integration; the guide that the European Union has created for Member States to judge and assess their immigrant integration efforts. More specifically, CBP8 states that "the practices of diverse cultures and religion as recognized under the Charter of Fundamental Rights must be guaranteed" and the Council Conclusions state that "full respect for the immigrants' and their descendants' own language and culture should be an

¹⁵³ Choquet, "Models of Integration in Europe" *Fondation Robert Schuman*, 2017.

¹⁵⁴ Joppke, "Beyond national models: Civic integration policies for immigrants in Western Europe", *Western European Policies*, Vol. 30, 2007, p.16.

¹⁵⁵ Ibid, p.14.

important element of integration policy”¹⁵⁶. However, CBP8 also stresses that Member States should show “support for cultural and religious expressions that respect national and European values, rights and laws”.¹⁵⁷ This shows that even if the CBPs urge Member States to respect the minorities’ culture, at the same time they stress that the respect should be limited not challenging the cultural and linguistic monopoly granted to the majority.

Member States also have a responsibility to ensure that cultural and religious practices do not prevent individual migrants from exercising other fundamental rights or from participating in the host society. This is particularly important as it pertains to the rights and equality of women, the rights and interests of children and the freedom to practice or not to practice a particular religion.¹⁵⁸

In the excerpt above, there is an emphasis on fundamental rights. However, one should not forget that rights are defined according to EU standards thus they reflect the majority’s notion of what rights mean. Additionally, without specifying what exactly is meant by fundamental rights, Member States are allowed to interpret such directives as they please. We see that in some cases Member States have implemented more demanding policies closer to acculturation or even assimilation.¹⁵⁹

This stance is linked to the ‘failures of multiculturalism’. In 2010, it was argued by many politicians that multiculturalism had “utterly failed” as a European immigrant integration policy.¹⁶⁰ Throughout the year, Chancellor Merkel, Prime Minister Cameron, and President Sarkozy were all condemning multiculturalism. Cameron argued that multiculturalism “had failed to promote a sense of common identity centered on the values of human rights, democracy, social integration, and equality before the law.”¹⁶¹ Nevertheless, these policymakers were not the

¹⁵⁶ European Commission, “Common Basic Principles for Immigrant Integration Policy in the EU”, 2004.

¹⁵⁷ Ibid.

¹⁵⁸ European Commission, “Common Basic Principles for Immigrant Integration Policy in the EU”, 2004.

¹⁵⁹ Mulcahy, “Europe’s Migrant Policies: Illusions of Integration”, *Palgrave Macmillan*, 2011, p.37.

¹⁶⁰ Weaver, “Angela Merkel: German Multiculturalism Has ‘Utterly Failed,’” *The Guardian*, 2010.

¹⁶¹ Burns, “Cameron Criticizes ‘Multiculturalism’ in Britain,” *The New York Times*, 2011.

first ones to criticize the multiculturalist integration perspectives that characterized many Western European countries. With the increase of “globalization” in the 1990s, many scholars viewed “contemporary immigration as obliterating and undermining some traditional principles of nation states.”¹⁶² Overall, with increased migration, the multiculturalist perspective of immigrant integration was deemed ineffective undermining the common sense of European and national identity.

This lack of public consensus for multiculturalist policies could be associated with the increase in the support of populist right-wing parties throughout Europe. In many European countries like Austria, the Netherlands, and France, both in the 1990s and the 2010s, we see a big increase in the support of right-wing parties. Right-wing parties across Europe preach against globalization associating it with multiculturalism and overly liberal integration policies.¹⁶³

The EU has suggested intercultural dialogue as a potential solution to the problem. The European Commission Handbook on Integration has urged that governments encourage intercultural and interreligious dialogue establishing dialogue platforms and providing financial assistance if necessary in order to create more open-minded and less skeptical societies.¹⁶⁴ At the same time, the EU has focused on employment as an integral part for Nation-States’ immigrant integration efforts. This focus appeared in the first steps towards an EU collective response to migrant integration. In the First Annual Report on Migration and Integration and the Common Basic Principles “access to employment” has become “the most important political priority within national integration policies”¹⁶⁵ perceived as a “key part to the integration process”¹⁶⁶. In

¹⁶²Joppke & Morawska, “Toward Assimilation and Citizenship: Immigrants in Liberal Nation-States” *Migration, Minorities, and Citizenship*, 2003, p.1.

¹⁶³ Zaslove, “Exclusion, Community, and a Populist Political Economy: The Radical Right as an Anti- Globalization Movement,” *Comparative European Politics* 6, no. 2, 2008.

¹⁶⁴European Commission, “Handbook on Integration for policy-makers and practitioners”, 1st Edition; 2004, 2nd Edition; 2007, 3rd Edition; 2010.

¹⁶⁵ European Commission, “Annual Report on Migration and Integration”, 1st Report; 2004

2016, the emphasis on employment for successful immigrant integration was reaffirmed with the Action Plan¹⁶⁷.

2.2.4 *Structuralism*

Here it is important to stress that both assimilationist and multiculturalist theories on integration give a great emphasis on the agency of migrants. Nevertheless, as aforementioned, the structure of the society could play a crucial role in their integration. It is not only about the steps that immigrants will take towards their integration but also about how much the society is willing to accept them. The structuralist theory emphasizes that socio-economic opportunities available to migrants play an important role in their integration regardless of their individual efforts to integrate. Migrants' unequal access to housing or jobs, could hinder their ability to integrate.¹⁶⁸ As Portes and Borocz note, “the combination of different class origins and contexts of reception gives rise to a plurality of settlement patterns” and integration outcomes.¹⁶⁹

Portes and Borocz analyze three types of ‘contexts of reception’. First, an overwhelmingly negative society in which the government takes a very adverse and restrictive stance towards immigration and tries to suppress the influx altogether. In this model, “immigrants are (also) negatively typified by employers, either as unsuitable labor or as suitable only for menial jobs, a condition compounded by generalized prejudice among the native population.”¹⁷⁰ In such societal conditions immigrants are less likely to succeed. In a neutral society, the government neither encourages nor discourages migration and no strong stereotypes

¹⁶⁶ European Commission, Common Basic Principles for Immigrant Integration Policy in The EU, 2004

¹⁶⁷ European Commission, “Action Plan of the Integration of Third Country Nationals”, 2016.

¹⁶⁸ Algan et al., “Cultural Integration of Immigrants in Europe”, 2012, p.6.

¹⁶⁹ Portes & Borocz, “Contemporary Immigration: Theoretical Perspectives on Its Determinants and Modes of Incorporation”, *International Migration Review* 23, no.3, 1989, p. 621.

¹⁷⁰ Ibid, p.618.

about migrants exist. Finally, in a positive society the government is positive about migration and not only permits it but supports it through legal and material assistance.¹⁷¹ Consequently, depending on the ‘contexts of reception’ migrants’ integration could be hindered, not affected, or supported.

An additional factor affecting the integration of migrants is social class. Portes and Borocz divide immigrants in two categories: manual laborers and professionals. They argue that in a negative society both categories have a hard time to integrate. First, employers are less likely to hire migrants but also professionals face difficulties in acquiring the necessary licenses and revalidating titles. In a neutral society, professionals are more likely to be culturally integrated into society, as they can enter directly into their field. Manual laborers are still expected to face some difficulties. Finally, in favorable societies both types of migrants have higher chances to succeed since the government provides them with legal and material benefits.¹⁷² This shows that immigrants labor market integration and employment is largely depended on society.

Portes and Borocz stress the importance that the structure of the society plays in the integration of migrants. European institutions are very powerful, and they play a very important role in the acceptance of migrants into the society and even the labor market. Many times, it does not even matter how much immigrants will try and integrate, what matters is if the society is positive towards immigrants allowing for their successful integration.

¹⁷¹Portes & Borocz, “Contemporary Immigration: Theoretical Perspectives on Its Determinants and Modes of Incorporation”, *International Migration Review* 23, no.3, 1989, p.619.

¹⁷² Ibid.

2.3 Immigrant Integration Policies in the European Union

The European Union has realized that the integration of migrants can have positive benefits for the European development. If migrants are successfully integrated into the society, they can actively contribute to the economic, social, cultural and political development of European societies. The successful integration of immigrants into the host society can lead to the outmost gain of legal migration. Thus, failure to enable immigrants' potential would be a massive waste of resources, both at the individual level and more generally for the European economy and society as a whole.¹⁷³ To this understanding, the European Union has been supporting national and local policies to promote policy coordination, exchange of knowledge and financial resources, even if Member States are the ones primarily responsible for integration.

The European Union cooperation on the integration of non- EU nationals started with the adoption of the Tampere Programme in 1999¹⁷⁴. The Tampere conclusions in 1999 by the European Council led to the adoption of two legally-binding Council Directives on the Right to Family Reunification¹⁷⁵ and the status of Third Country Nationals who are Long-term Residents¹⁷⁶ in 2003. The Directive on Long-term Residents states that:

The integration of third-country nationals who are long-term residents in the Member States is a key element in promoting economic and social cohesion [...and] in order to constitute a genuine instrument for the integration of long-term residents into the society in which they live, long-term residents should enjoy equality of treatment with citizens of the Member State in a wide range of economic and social matters.

Thus, according to the directive a secure legal status and non-discrimination will allow for the successful integration of migrants. The legislation emphasizes on non-discrimination in the areas

¹⁷³ European Commission "An Economic Take on the Refugee Crisis" *Directorate-General for Economic and Financial Affairs*, 2016.

¹⁷⁴ Tampere European Council 15 And 16 October 1999.

¹⁷⁵ Council Directive 2003/86/EC on the right to family reunification, 2003.

¹⁷⁶ Council Directive 2003/109/EC concerning the status of third-country nationals who are long-term residents, 2003.

of employment, equal working conditions, education and training, recognition of qualifications, social protection defined by national law, equal tax benefits, and equality of access to goods and services.¹⁷⁷ In both of these directives, “integration conditions are seen as a necessary condition for the stability and social cohesion in European societies”.¹⁷⁸

During the same time, two networks were created in order to support the development of the European integration policies. The first one was the National Contact Points on Integration in 2002 that was later renamed as the European Integration Network in 2016 and has been responsible to shape the European migration integration agenda. The second, called the European Migration Network (EMN)¹⁷⁹ created in 2003 was responsible for the provision of information to policymakers and citizens through reports and studies. Importantly, the first financial resource promoting integration measures came in 2003 with the Preparatory Actions for Integration of Third Country Nationals (INTI). The agenda included the promotion of local activities, as well as the strengthening of networks, exchange of information, and good practices between Member States, their regional and local authorities and other stakeholders.

The first steps towards a common immigrant integration policy among Member States came in 2004 with the adoption of the Common Basic Principles for Immigrant Integration Policy in the EU¹⁸⁰ by the Justice and Home Affairs Council. This policy was adopted under the Hague Programme in 2004. The CBPs were described as a “simple non-binding but thoughtful guide of basic principles against which [Member States] can judge and assess their own [integration] efforts”¹⁸¹. Member States renewed their commitment to such principles in 2014,

¹⁷⁷ Mulcahy, “Europe’s Migrant Policies: Illusions of Integration”, Palgrave Macmillan, 2011, p.30.

¹⁷⁸ Ibid, p.31.

¹⁷⁹ European Migration Network (EMN) https://ec.europa.eu/home-affairs/what-we-do/networks/european_migration_network_en.

¹⁸⁰ European Commission, “Common Basic Principles for Immigrant Integration Policy In The EU”, 2004.

¹⁸¹ Ibid.

where integration was reaffirmed as a long-term and multi-faceted commitment. Based on the CBPs, the integration of immigrants is comprised of 11 principles. First and foremost, the Council states that “integration is a dynamic, two-way process of mutual accommodation by all migrants and residents of Member States”, stressing that:

Everyone resident in the EU must adapt and adhere closely to the values of the European Union, as well as to member states’ laws. The provision and values enshrined in the European Treaties serve as both baseline and compass, as they are common to the Member States.¹⁸²

CBPs include the “respect for the provisions of the Charter of Fundamental Rights of the Union, which enshrine the concepts of dignity, freedom, equality and non-discrimination, solidarity, citizens’ rights and justice”¹⁸³ The document continues emphasizing that “views and opinions which may not be compatible with such basic values might hinder the integration of immigrants into their new host society”. The CBPs go on to emphasize the importance of employment; knowledge of the host society’s language, history and institutions (CBP4); education; participation in the democratic process; and equal access to public goods and services. Finally, they conclude that clear indicators and evaluation mechanisms are of outmost importance in the development of goals and improved policy. All of the above aim at the effective integration of immigrants.

In 2009, a platform of dialogue was created – European Integration Forum – between civil society organization and European institutions, which in 2015 became the European Migration Forum¹⁸⁴. Also, the European Fund for the Integration of TCNs (EIF)¹⁸⁵ was created that ran between 2007 and 2013; it was later included in the Asylum Migration and Integration

¹⁸² European Commission, “Common Basic Principles for Immigrant Integration Policy In The EU”, 2004.

¹⁸³ Ibid.

¹⁸⁴ European Economic and Social Committee (EESC)- European Migration Forum
<http://www.eesc.europa.eu/en/sections-other-bodies/other/european-migration-forum>

¹⁸⁵ European Commission, “European Fund for The Integration of Third-Country Nationals 2007-2013”, Directorate-General Justice, Freedom & Security, 2007.

Fund (AMIF)¹⁸⁶. The European Network of Cities for Local Integration Policies for Migrants (CLIP)¹⁸⁷ created in 2007 is an example of an initiative at the local level to promote migrant integration. These initiatives show an effort to help the integration of immigrants at the local level aiming to promote a common EU direction to immigrant integration.

The European Handbook on Integration¹⁸⁸ was published for the third time in 2010, published earlier in 2007 and 2004, aiming at the effective guidance of policy-makers and practitioners on immigrant integration based on EU standards. In the handbook the core chapters discuss integration programs and civic participation. The same year, at the Zaragoza Ministerial Conference¹⁸⁹, a common set of integration indicators was adopted in order to better monitor the integration policies across Europe. Interestingly, the conference started with a chapter on ‘promoting European values’. We can see that civic participation is central in the EU approach to integration with the respect & promotion of EU values being an integral part of what civic integration means.

The “European Web Site on Integration: Migrant Integration Information and good practices”¹⁹⁰ launched in 2009 was an important step to effectively communicate information relating to immigrant integration with practitioners and other integration stakeholders. The Web Site features news, good practices, funding opportunities and country specific research on national governance structures and evaluation on integration outcomes for the 28 Member States. Finally, it includes Europe’s overall research on integration. With the European Web Site on

¹⁸⁶ European Commission – Migration and Home Affairs, Asylum, Migration and Integration Fund (AMIF) https://ec.europa.eu/home-affairs/financing/fundings/migration-asylum-borders/asylum-migration-integration-fund_en

¹⁸⁷ Eurofound – European Foundation for the Improvement of Living and Working Conditions <https://www.eurofound.europa.eu/about-clip>

¹⁸⁸ European Commission, “Handbook on Integration for policy-makers and practitioners, 2010.

¹⁸⁹ Declaration of the European Ministerial Conference on Integration, ZARAGOZA, 2010.

¹⁹⁰ European Commission, “European Web Site on Integration: Migrant Integration Information and Good Practices”, <https://ec.europa.eu/migrant-integration/home>.

Integration, Europe's efforts towards immigrant integration are readily available for anyone interested in searching and getting easily informed about EU's and individual EU countries' forthcoming integration steps.

In 2007, the EU Fundamental Rights Agency (FRA)¹⁹¹ was formed – replacing the European Monitoring Centre on Racism and Xenophobia (EUMC) dating back in 1998 – to strengthen the protection of fundamental rights. The agency includes findings, knowledge, and advice from independent and comparative research many times directly related to immigrants and refugees to raise awareness of their rights. On the legislative level, the European Union implemented a Framework Decision in 2008 “on combating certain forms and expressions of racism and xenophobia by means of criminal law”¹⁹², which Member States were obliged to implement in their national laws by 2010. Additionally, in 2009, the Treaty of Lisbon came into force after its adoption in 2007; the Charter of Fundamental Rights of the European Union made it legally binding. It was the first time that the primary law of the European Union provided a legal basis for the promotion of immigrant integration at the European level, although the immigrant integration policies still remained at the discretion of the Member States. The EU Charter of Fundamental Rights promoted the freedom of speech and religion, as well as the rights of equality and non-discrimination; integral rights for the successful integration of immigrants.

The Stockholm Programme¹⁹³ set out the European Union's priorities for the area of justice, freedom and security building on the achievements of the Tampere and Hague programs for the period of 2010-2014. It set as a priority the effective knowledge, exchange, and

¹⁹¹ European Union Agency for Fundamental Rights, <http://fra.europa.eu/en>

¹⁹² Council Framework Decision [2008/913/JHA](#), on combating certain forms and expressions of racism and xenophobia by means of criminal law, 2008.

¹⁹³ Council of the European Union, “The Stockholm Programme – An open and secure Europe serving and protecting the citizens”, 2009.

coordination with other relevant policy areas, such as employment (Europe 2020¹⁹⁴) and social inclusion (EU Youth Strategy for period 2010-2018¹⁹⁵). In 2011, the European Agenda for the Integration of TCNs¹⁹⁶ was created targeting specific integration aspects that needed to be prioritized. Importantly, it stated that “well integrated migrants enrich the EU economically and culturally”. The European Agenda came as a replacement to the Common Agenda for Integration responding to increased migration and cultural diversity in recent years. In 2014, the Asylum, Migration and Integration Fund (AMIF)¹⁹⁷ was adopted to run until 2020 in order to finance immigrant integration. The European Agenda for Integration focused on four specific factors of immigrant integration: anti-discrimination, and economic, social, and cultural participation.

In 2016, the Action Plan¹⁹⁸ on the integration of third country nationals was created. The Action Plan stated that it is important for people rightfully and legitimately residing in Europe to be able to participate and contribute in society as it will be “key to the future well-being, prosperity and cohesion of European societies.” Stressing the increasing levels of discrimination, prejudice, racism and xenophobia, the European Commission stated that it is Europe’s legal, moral and economic imperatives to uphold fundamental rights, values and freedoms. The European Commission concluded that the integration of immigrants is a common interest to all Member States and that investing in immigrant integration policies will lead to positive long-run effects. The policy priorities set by the Action Plan focus on pre-departure and pre-arrival measures; education; labour market & vocational training; access to basic services; and active participation and social inclusion. Such goals will be achieved through policies, funding opportunities, mutual learning initiatives and resources such as websites and reports.

¹⁹⁴ European Commission, “Europe 2020 strategy: A strategy for smart, sustainable, and inclusive growth”, 2010.

¹⁹⁵ European Commission, “Youth Strategy 2010-2018”, 2009.

¹⁹⁶ European Commission, “The European Agenda for the Integration of Third-Country Nationals”, 2011.

¹⁹⁷ European Commission, “Migration and Home Affairs, Asylum, Migration and Integration Fund (AMIF)”, 2014.

¹⁹⁸ European Commission, “Action Plan of the Integration of Third Country Nationals”, 2016.

Finally, on November of 2017, the European Union opened a 25-million-euro worth call for proposals. Projects are expected to run from 2018 to 2021. The AMIF call for proposals is comprised of five funding themes reflecting the policy priorities identified by the Action Plan. The themes are the following: raising awareness on migrant's contribution to EU societies; community building at the local level, including volunteering activities; pre-departure and post-arrival support for the integration of persons in need of international protection; promotion of swift integration of TCNs into the labor market; integration of victims of trafficking in human beings. Thus, we can see that the current EU steps of immigrant integration focus on the socio-economic participation of immigrants in their host countries.

As mentioned above, the European agenda emphasizes on the integration of migrants under the fulfillment of immigrants' rights and the benefits of the host country. However, it can be unclear as of what exactly the integration of immigrants entails. Nevertheless, one can argue that all the aforementioned, proposed policies focus on the nations' commitment to equal opportunities, equal treatment and equal access to services. On same line, immigrants are expected to integrate and enable their skills to actively participate in the host countries and contribute to their development. Thus, integration is a two-way process of mutual accommodation but also mutual benefit by all migrants and residents of Member States. The successful integration of immigrants will be achieved with the collaboration of the public sector, civil society and private-sector organizations.

2.4 Measuring Immigrant Integration

In this section, I will analyze the multiple dimensions of integration policies as identified by the Migration Integration Policy Index (MIPEX). Although other indices might exist using some similar indicators, MIPEX is the only index that uses up-to-date, comprehensive research data and analysis. MIPEX can be used as an effective tool to assess, compare and improve integration policy. MIPEX gives full access to its results and allows researchers to delve into the multiple factors that affect the integration of immigrants. It also allows for the analysis of changes in policy.

MIPEX looks at 167 policy indicators in order to evaluate and compare the policies that governments implement to integrate migrants at the countries analyzed. It looks at all the EU Member States and also Australia, Canada, Iceland, Japan, South Korea, New Zealand, Norway, Switzerland, Turkey and the United States. It analyzes eight policy areas of integration: labour market mobility, education of children, political participation, family reunion, access to nationality, health, permanent residence and anti-discrimination. For each policy area MIPEX identifies the highest European and international standards drawn from the Council of European Conventions, European Union Directives and international conventions. If only minimum standards exist, MIPEX uses European-wide policy recommendations.

2.4.1 *Labour Market Mobility*

This policy area examines if legally-resident foreign citizens have equal workers' rights and opportunities in relation to nationals' access to jobs and if they are able to improve their skills. This policy area was created in response to the European Commission's ten year vision for the future of vocational education and training in a Communication titled 'A new impetus for

European cooperation in vocational education and training to support the Europe 2020 strategy’¹⁹⁹ Thus, economic and employment guidelines for the integration of migrants were revised according to the Europe 2020 strategy. According to guideline 8, the aim is to “develop a skilled workforce responding to labour market needs, promoting job quality and lifelong learning”.²⁰⁰ Successful labour market outcomes for immigrants are key in their success in the receiving society and are the most important step towards integration.²⁰¹ This policy area is divided in four indicators and its indicator is then subdivided in several others.

(1) Access: Measures the extent to which migrant workers and their families have access to and are able to change jobs in all sectors in relation to national workers.

- a. Immediate Access to Labour Market
- b. Access to Private Sector
- c. Access to Public Sector
- d. Immediate Access to Self-employment
- e. Access to Full self-employment

Immediate access examines if all or some categories of foreign residents (permanent residents, residents on temporary work permits, residents on family reunion permits) have equal access to employment or self-employment respectively. *Access* examines the extent to which the conditions are equal.

(2) Access to general support: Measures the extent to which migrant workers and their families are able to improve and get recognized the same skills and qualifications in relation to national workers.

¹⁹⁹ European Commission, “A new impetus for European cooperation in Vocational Education and Training to support the Europe 2020 strategy”, 2010.

²⁰⁰ European Commission, “Europe2020, Integrated guidelines for the economic and employment policies of the Members” 2010.

²⁰¹ Lodovici, “Making a success of integrating immigrants in the labour market”, 2010.

- a. Public Employment Services
- b. Education & Vocational Training
- c. Study Grants
- d. Recognition of Academic Qualifications
- e. Recognition of Professional Qualifications
- f. Validation of Skills

(3) Targeted Support: Measures the extent to which migrants can have their specific needs addressed as workers born and trained abroad through different policies.

- a. State Facilitation of Recognition Qualifications
- b. Economic Integration measures of TCNs
- c. Economic Integration measures of youth and women
- d. Support to access public employment services
- e. Active Information policy

(4) Workers' rights: Measures the extent to which migrants are enjoying the same work and social security rights like national workers.

- a. Membership in Trade Unions and Work-related Negotiation Bodies
- b. Access to Social Security
- c. Access to Housing
- d. Working Conditions

2.4.2 Family Reunion for Foreign Citizens

This policy area analyzes the extent to which legally-resident foreign citizens have a right to reunite with their families. The policy area was created in response to the right to family and

family life under European and international law. Importantly, the EU Family Reunion Directive²⁰² established the right to family reunion for non-EU sponsors and their families. The Directive establishes the right of immigrants to bring their non-EU national spouse, under-age children and the children of their spouse to the EU State in which they reside. The Family Reunion for Foreign Citizens policy area measures the extent to which countries promote this right as a means to promote integration.

- (1) Eligibility: Measures if all legal foreign residents are able to apply to sponsor their whole family
- (2) Conditions for Acquisition of Status: Measures what are the pre-entry, post-entry and other conditions for the acquisition of status in relation to nationals.
- (3) Security of Status: Measures if the state protects applicants from discretionary procedures.
- (4) Rights Associated with Status: Measures if family members enjoy the same residence and socio-economic rights as their sponsor.

2.4.3 Education

This policy area assesses if immigrant children are encouraged to achieve and develop their skills in school in comparison to the children of nationals. OECD's Programme for International Student Assessment²⁰³ (PISA) is a very useful source for the measurement of educational attainment as part of the integration of immigrant children across countries. Studies have shown that education systems are more successful in the integration of immigrants if they

²⁰² Council Directive 2003/86/EC on the right to family reunification, 2003.

²⁰³ OECD, Programme for International Student Assessment, <http://www.oecd.org/pisa/>

target their needs. Also, immigrants do better when education is compulsory for a longer period of time, when late ability tracking exists, and there are more teaching hours.²⁰⁴

- (1) Access: Measures if all immigrant children –with or without legal status – have equal access to all levels of education
- (2) Targeting Needs: Measures the extent that immigrant children, parents and their teachers are provided with specific support in order to address their education needs.
- (3) New Opportunities: Measures the extent to which immigrant languages and cultures are cultivated in school enriching the school environment.
- (4) Intercultural Education for All: Measures if all pupils and teachers are supported to learn and work together in a diverse society.

2.4.4 *Political Participation*

This policy area evaluates if legally-resident foreign citizens enjoy the same rights to participation in political life as national citizens. The policy area was created in response to the European Parliament advocating for voting rights at the local level for all foreign residents since 1996.²⁰⁵ However, even if both the European Parliament and the European Commission have advocated for “civic participation”²⁰⁶, they have not imposed it on Member States as they argue that it is outside the Community competences defined in the European Treaties. Importantly, in the CBPs, which form the foundations of EU initiatives in the field of integration, it is stated that “The participation of immigrants in the democratic process and in the formulation of integration

²⁰⁴ European Commission, “Study on educational support for newly arrived migrant children”, 2013.

²⁰⁵ European Parliament, “Trends In The Eu-27 Regarding Participation Of Third-Country Nationals In The Host Country's Political Life” Area of Freedom, Security, & Justice, 2007.

²⁰⁶ Ibid.

policies and measures, especially at the local level, supports their integration”²⁰⁷(CBP 9)

- (1) Electoral Rights: Measures if legally-resident foreign citizens are allowed to vote and stand as candidates in all kinds of elections in comparison to national citizens.
- (2) Political Liberties: Measures if legally-resident foreign citizens are able to join and form political parties and associations in relation to national citizens.
- (3) Consultative Bodies: Measures if these strong and independent advisory bodies are comprised of immigrant representatives or associations.
- (4) Implementation Policies: Measures if there are campaigns and/or funds in place to encourage immigrants and their associations to participate in political life.

2.4.5 *Permanent Residency*

This policy area analyzes the extent that temporary-legal foreign residents have access to a long-term residence permit. The policy area was created in response to the 2003 Council Directive which states that the status of long-term residency²⁰⁸ should be awarded to a person of foreign origin who has lived legally in the European Union more than five years. This status allows equal treatment and rights as nationals in the access to employment and self-employed activity, education and vocational training, social protection and assistance, access to goods and services. The granting of permanent residency to TCNs who have been legally residing in Europe is important in promoting their integration and coming closer to economic, social, cultural, and political cohesion. The share of TCNs that acquire permanent residence is one of

²⁰⁷ European Commission, “Common Basic Principles for Immigrant Integration Policy in the EU”, 2004.

²⁰⁸ Council Directive 2003/109/EC concerning the status of third-country nationals who are long-term residents, 2003.

the proposed EU indicators of immigrant integration in the area of ‘active citizenship’.²⁰⁹

- (1) Eligibility: Measures if all temporary legal residents are eligible to apply for a long-term residence permit.
- (2) Conditions for Acquisition of Status: Measures if applicants of long-term residency status have to fulfil the same conditions as European nationals.
- (3) Security of Status: Measures the extent to which the state protects applicants from discretionary procedures.
- (4) Rights Associated with Status: Measures the extent to which long-term residents are granted the same socio-economic rights in comparison to European nationals.

2.4.6 Access to Nationality

This policy area examines if legal residents are encouraged to naturalize and if their children who are born in the country are entitled to become full citizens. This policy area was created in response to the many times all two complicated naturalization processes that exist. Although it is important for the naturalization process to ensure that perspective new members of the society meet the necessary requirements to become successful citizens, a process that is too complicated can be counterproductive. Thus, such a process can inhibit the very integration it seeks to facilitate. It has been found that naturalization leads to better employment outcomes and higher levels of social and political participation.^{210,211}

- (1) Eligibility: Measures the length of time that immigrants must wait in order to naturalize. It

²⁰⁹ European Commission, “Action Plan on the Integration of Third-Country Nationals”, 2016

²¹⁰ OECD, “Naturalization: A Passport for the Better Integration of Immigrants?”, 2011.

²¹¹ Bilgili et al. “The Dynamics between Integration Policies and Outcomes: a Synthesis of the Literature”, 2015.

also looks if children and grandchildren born in the country are entitled to become citizens.

- (2) Conditions for Acquisition: Measures the extent that immigrants are encouraged to succeed through the conditions required for naturalization.
- (3) Security of Status: Measures the extent to which the country protects applicants from discretionary procedures.
- (4) Dual Nationality: Measures if countries allow naturalizing migrants and their children to be citizens of more than one country.

2.4.7 Anti-discrimination

This policy area examines if all residents have effective legal protection from racial, ethnic, religious and nationality discrimination in all areas of life. This policy area was created in response to the increasingly negative sentiment against immigrants and wants to examine if and how immigrants perceive discrimination and the governments' response. Importantly, governments are not able to directly control discrimination. However, they can respond to discrimination by providing access to justice and creating effective procedures to alleviate the experience of discrimination.

- (1) Definitions and Concepts: Measures if all residents are protected from racial, ethnic, religious, and nationality discrimination under the law.
- (2) Fields of Application: Measures if the law tackles all areas of life.
- (3) Enforcement Mechanisms: Measures if victims of discrimination are encouraged to bring forward their case.
- (4) Equality Policies: Measures if all residents are able to benefit from the government's commitments to equality and independent equality policies.

2.4.8 Health

This policy examines the extent to which the health care system is responsive to immigrants' needs. It was created with the collaboration of MPG (Migration Policy Group), IOM (International Organization for Migration), and COST Action ADAPT (Adapting European Health Services to Diversity). COST is the European Association for European Cooperation in Science and Technology. This policy area responds to the recommendation of the Council of Europe in 2011 on mobility, migration and access to health care.²¹² The IOM created its own project 'Equi-Health'²¹³ to supplement the financing of the Health strand. IOM's project is co-financed by the EU's Directorate-General Health and Food Safety (DG SANTE) through the Consumers, Health, Agriculture and Food Executive Agency (CHAFEA). Overall, health policies have been added only recently to Europe's integration policy agenda.

- (1) Entitlement to Health Services: Measures if health services are entitled equally between immigrants and nationals.
- (2) Policies to Facilitate Access: Measures the extent that policies facilitate migrants' access to health entitlements.
- (3) Responsive Health Services: Measures the extent that policies are becoming more responsive to immigrants' needs.
- (4) Measures to Achieve Change: Measures government's support to make health services more responsive to immigrants' needs

²¹² Council of Europe, "Explanatory Memorandum of the draft Recommendation CM/Rec(2011)13 of the Committee of Ministers to member states on mobility, migration and access to health care", 2011.

²¹³ IOM, "Fostering Health Provision for Migrants, the Roma, and other Vulnerable Groups", 2015.

2.5 – Conclusion

The integration of third-country nationals has been at the center of EU policy since the 1990s. Since then, there have been a lot of normative developments and policy changes that are connected to the literature around integration. Integration is part of migration management aiming to secure rights, security, and social inclusion to third-country nationals. As emphasized in the CBP, integration is seen as dynamic two-way that is facilitated by both migrants and the member states. Thus, even if the EU has been aiming towards a collective response to migration and immigrant integration, member states are still the ones responsible for immigrant integration. In its process of converge, the EU has increasingly been using soft-law governance techniques. Employment has been given great emphasis in this process. In regard to migrants' cultural integration there is great ambivalence which reflects the complicated national histories responding to minorities and new immigrants in different EU states. The literature around immigrants and the integration of migrants has been extensive. There has been a lot of academic debate about how immigrant integration works, the efficacy of certain approaches to immigrant integration, and whether or not integration policies for immigrants are converging. On the policy level, the EU has commissioned some researchers to find the best indicators that determine immigrant integration. MIPEX is the most effective tool yet developed analyzing immigrant integration in eight policy areas. Overall, starting in the 1990s, Europe has aimed at the creation of a common EU policy on migration and immigrant integration and has taken important steps towards its aim.

Chapter Three: Labor Market Impact of Immigrant Integration

3.1 Introduction

While migration is increasing, the debates around its effect on the labor market have been extensive. Most theorists conclude on the overall positive effects of migration on the labor market. In relation to the impact of migration on the wages and employment of native workers, the literature has also shown that the impact is either zero or positive. Recently, the literature has developed arguing for immigrants' positive contribution to society and development with their successful integration. However, there has been limited economic research examining how the integration of migrants will specifically affect the wages and employment of native workers.

In this chapter I will examine the impact of immigrant integration policies on labor market outcomes, specifically the employment rate. I will look at the effect of the labor market immigrant integration as defined by The Migrant Integration Policy Index (MIPEX)²¹⁴ on the total employment rate and on the employment rate of different subgroups for various EU countries. First, I will undertake a regression analysis for seventeen EU countries. Then, I will take a deeper look at the relationship between employment and labor market immigrant integration for six different countries: Austria, France, Germany, Netherlands, Sweden, UK; countries that have been at the center of the immigrant integration debate. These steps will allow me to have a clearer picture of the impact of labor market immigrant integration on the employment of the labor force as a whole and for various groups.

The European Union has commissioned some researchers in order to find the best indicators that determine the success of immigrant integration and the factors that determine the immigrant integration outcomes. MIPEX is the most effective tool that has been developed. It analyzes integration in eight policy areas - labour market mobility, education of children,

²¹⁴ Migrant Integration Policy Index 2015 – Labour Market Mobility, Policy <http://www.mipex.eu/>

political participation, family reunion, access to nationality, health, permanent residence and anti-discrimination –based on the highest European and international standards drawn from the Council of European Conventions, European Union Directives and international conventions.²¹⁵

I chose to focus on labor market immigrant integration since its importance has been increasingly emphasized in the EU.²¹⁶ The EU has been aiming towards a collective response to migration and immigrant integration with the first step taken in 1999.²¹⁷ However, after 2004, the EU started taking important steps towards a collective response to immigrant integration and since then labor market immigrant integration has been emphasized as an integral part of the process. The First Annual Report on Migration and Integration²¹⁸, published in 2004, highlighted that the “access to employment” is “the most important political priority within national integration policies”. “Access to Employment” also appeared in the Common Basic Principles, the same year, as a “key part of the integration process”²¹⁹ making immigrants’ contributions to society visible (CBP3). As recently as 2016²²⁰, employment was again highlighted as a core element of the immigrant integration process with the European Commission urging countries to focus their efforts on the promotion of labour market integration of third-country nationals. Labor market integration for migrants has been at the center of immigrant integration policies from the beginning since today.

Further, I chose to examine the impact of the integration of migrants on the total employment since there has been a great rhetoric around immigrants taking jobs away from natives.²²¹ Total employment²²² will be disaggregated in non-EU²²³, low-skill²²⁴, young²²⁵,

²¹⁵ see chapter two, section 2.4, p.54

²¹⁶ see chapter two, section 2.3, p.47

²¹⁷ Tampere European Council 15 And 16 October 1999.

²¹⁸ European Commission, “Annual Report on Migration and Integration”, 1st Report; 2004

²¹⁹ European Commission, “Common Basic Principles for Immigrant Integration Policy In The EU”, 2004

²²⁰ European Commission, “Action Plan of the Integration of Third Country Nationals”, 2016.

²²¹ See chapter one.

old²²⁶, and female²²⁷ employment. Total employment and the disaggregations of employment will be measured by looking at the respective employment rates as calculated from Eurostat data²²⁸. Disaggregating the total employment rate in different subgroups will allow me to examine how labor market immigrant integration might have differently affected the employment of various groups. As some economists have argued, some groups are disproportionately affected by immigration. Borjas has repeatedly emphasized the negative impact on the low-skill labor force.²²⁹ This disaggregation will allow me to examine if and how different groups are affected by labor market immigrant integration.

My results are based on the time period of 2007-2014. These are the years that data from MIPEX, the most crucial variable, are available. In order to choose the countries for my research I ranked them according to two measures. First, their rank as a destination country in the EU from 2007-2014 and second their rank according to their performance in Labor Market Immigrant Integration (MIPEXL) from the same time period. I limited my analysis to the first 15 countries of each ranking; 11 countries were both in the destination ranking and the MIPEXL ranking. An additional 8 countries were either in the top-15 of the destination ranking or the MIPEXL ranking. This led me to an overall 19 countries. Croatia and Romania had to be

²²² The employment rate of the total population is calculated by dividing the number of persons aged 20-64 in employment by the total population in the same age group.

²²³ The employment rate of non-EU nationals is calculated by dividing the number of citizens outside the EU-28 in employment aged 20-64 by the total number of citizens inside the EU-28 in the same age group.

²²⁴ The employment rate of low skilled persons is calculated by dividing the number of persons in employment with at most lower secondary education and aged 20-64 by the total population in the same age and skill group.

²²⁵ The employment rate of young persons is calculated by dividing the number of persons in employment and aged 20-29 by the total population of the same age group.

²²⁶ The employment rate of older workers is calculated by dividing the number of persons in employment and aged 55-64 by the total population of the same age group.

²²⁷ The employment rate of women is calculated by dividing the number of women aged 20-64 in employment by the total female population of the same age group.

²²⁸ Eurostat, <http://ec.europa.eu/eurostat/web/lfs/data/database>.

²²⁹ See chapter one, section 1.4, p.15

excluded from the sample as there is limited data for their MIPEXL performance throughout these years. Overall, this led me to have a sample size of 17 countries.

	Countries	Destination Rank in EU (2007-2014)	MIPEXL Rank (2007-2014)
1	Austria AT	11	14
2	Belgium BE	8	9
3	Czech Republic CZ	15	16
	Croatia HR	24	13
4	Denmark DK	14	6
5	Estonia EE	28	8
6	Finland FI	17	5
7	France FR	5	15
8	Germany DE	1	4
9	Greece EL	13	18
10	Ireland IE	12	23
11	Italy IT	4	10
12	Netherlands NL	9	3
13	Poland PL	6	25
14	Portugal PT	18	2
	Romania RO	7	12
15	Spain ES	3	7
16	Sweden SE	10	1
17	United Kingdom UK	2	11

Figure 3.1: EU Countries' Ranking

3.2 Regression Analysis

My analysis uses panel data, the analysis of data over time, for 17 countries over 2007-2014 time period. One can estimate panel data using three different methods; 1) Pooled Data OLS, 2) Fixed Effects, 3) Random Effects. The OLS estimation is no longer the most efficient method of estimation because it is very likely to be biased.²³⁰ Thus, in order to decide if I should use a fixed effects model or a random effects model, I run the Hausman test. The Hausman test analyzes if there is a correlation between the unique errors and the regressors in the model. If no correlation between the two exists (the null hypothesis), then the Hausman test will suggest the random effects model. If the p-value is less than 0.05, we should reject the null hypothesis. According to the results listed below, the null hypothesis was accepted thus the random-effects-model was the one suggested for my panel data.

²³⁰ Desilva, "Panel Data Methods"

	Coefficients		(b-B) Difference	sqrt(diag(V_b-V_B)) S.E.
	(b) fixed	(B) random		
inflation	-.3464047	-.3544259	.0080212	.0405296
growth	.1061031	.1000822	.0060209	.0495857
trade	.0044974	.030597	-.0260996	.0319035
services	.4887765	.5585823	-.0698058	.1510889
bargaining	-.5268239	.1369805	-.6638044	.3922336

b = consistent under Ho and Ha; obtained from xtreg
B = inconsistent under Ha, efficient under Ho; obtained from xtreg

Test: Ho: difference in coefficients not systematic

chi2(5) = (b-B)'[(V_b-V_B)^(-1)](b-B)
= 3.34
Prob>chi2 = 0.6476

Figure 3.2: Hausman Test for the total employment rate

This figure shows the Hausman test results for the total employment rate of the seventeen EU countries. I run the test of all the different dependent variables and came up with the same results. Thus, I will be running six different random effects models. My dependent variable will change: total, non-EU, low-skill, young, old, and female employment.²³¹ In the random effects models, I have accounted for different determinants of employment. These include: the inflation rate (annual percentage)²³², GDP growth (annual percentage)²³³, trade (percentage of GDP)²³⁴, size of the service sector measured by gross value added at current basic prices (in millions of national currency)²³⁵, bargaining power of unions measured by trade union density rate (%)²³⁶, and last but not least MIPEXL measured by a ranking number out of 100²³⁷.

²³¹ Eurostat, <http://ec.europa.eu/eurostat/web/lfs/data/database>

²³² World Bank, Inflation - consumer prices (annual %), <https://data.worldbank.org/indicator/FP.CPI.TOTL.ZG>

²³³ World Bank, GDP growth (annual %), <https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG>

²³⁴ World Bank, Trade (% of GDP), <https://data.worldbank.org/indicator/NE.TRD.GNFS.ZS>

²³⁵ OECD, Value Added by Activity, <https://data.oecd.org/natincome/value-added-by-activity.htm>

²³⁶ ILO, Trade Union Density Rate (%),

http://www.ilo.org/ilostat/faces/oracle/webcenter/portalapp/pagehierarchy/Page27.jspx?indicator=ILR_TUMT_NO_C_RT&subject=IR&datasetCode=A&collectionCode=IR&_adf.ctrl-state=8d7wcc62g_4&_afzLoop=1748931627899516#!

²³⁷ Migrant Integration Policy Index, <http://www.mipex.eu/>

	(1) etotal	(2) eneu	(3) elow	(4) eyoung	(5) eold	(6) ewomen
mipexl	0.0872* (2.53)	0.0230 (0.40)	0.0787 (1.63)	0.0687 (1.21)	0.187*** (3.56)	0.0996*** (3.49)
inflation	0.305** (2.73)	0.540** (2.77)	0.497** (2.94)	0.549** (3.03)	-0.0267 (-0.16)	0.179* (2.03)
growth	-0.0413 (-0.65)	-0.164 (-1.50)	0.0353 (0.37)	-0.0826 (-0.79)	-0.104 (-1.07)	-0.0867 (-1.68)
trade	-0.0353* (-2.00)	-0.0798** (-2.84)	-0.0929*** (-4.00)	-0.123*** (-4.21)	0.0766** (2.81)	-0.0102 (-0.66)
services	-0.715*** (-5.70)	-1.282*** (-6.29)	-0.671*** (-3.94)	-1.670*** (-8.06)	0.0959 (0.50)	-0.402*** (-3.79)
bargaining	-0.0185 (-0.30)	-0.218** (-2.61)	0.0794 (1.22)	-0.0467 (-0.45)	0.00207 (0.02)	-0.0536 (-0.78)
_cons	119.8*** (12.76)	163.1*** (10.76)	103.1*** (8.15)	192.0*** (12.37)	23.78 (1.64)	89.55*** (10.89)
N	123	130	130	130	123	123

t statistics in parentheses

* p<0.05, ** p<0.01, *** p<0.001

Figure 3.3: Regression Analysis

	min	max	mean	sd
mipexl	31	98	64.77941	17.47239
inflation	-4.479938	10.3656	2.026645	1.730106
growth	-14.7244	8.328387	.5169702	3.390245
trade	45.60912	208.1709	98.06912	40.40506
services	59.36966	81.07925	71.9344	5.35946
bargaining	5.3	70.8	31.09462	20.98428

Figure 3.4: Summary Statistics

3.2.1 Model 1: Total Employment Rate and MIPEXL

$$E_{it} = \beta_0 + \beta_1 MIPEXL_{it} + \beta_2 inflation_{it} + \beta_3 growth_{it} + \beta_4 trade_{it} + \beta_5 services_{it} + \beta_6 bargaining + e_{it}$$

The analysis uses panel data for 17 countries over 2007-2014 time period. MIPEXL is our variable of interest and total employment rate is our dependent variable. Rest of X's in this model are the control variables. The error term is indicated by e_{it} .

For total employment we can see that the service sector plays a really important role negatively affecting it causing a 7.15% negative change. This result could be due to the fact that the labour market is undergoing a change in the kinds of jobs that are created, which leads to a negative impact on employment until the skills of the labour force change. Inflation positively affects the total employment rate, which is what we would expect. As inflation increases, the price level and output increase leading to increased employment. MIPEXL, which is the determinant of employment we are paying closer attention to, positively affects the employment of the total labor force causing an 8.72% change. This result is what was expected from our theory. Labor market immigrant integration will positively affect the employment rate of the total labor force as it will complementary respond to the labour market leading to increased level of output and thus increased wages and employment. Trade openness negatively effects the total employment; a result that was expected. Trade openness is associated with higher unemployment and wage inequality.

The rest of the determinants are not statistically significant. Nevertheless, we can see that bargaining power has a slight negative effect on employment, which is an expected result as unions demand higher wages expecting a small drop in the overall employment. Unions utility

will increase if the demand curve for labour is inelastic because the wage-employment trade-off will be minimized. Finally, growth also negatively effects total employment; a rather surprising result. We could expect growth to positively affect employment.

3.2.2 Model 2: Non-EU Employment Rate and MIPEXL

$$E_{neu_{it}} = \beta_0 + \beta_1 MIPEXL_{it} + \beta_2 inflation_{it} + \beta_3 growth_{it} + \beta_4 trade_{it} + \beta_5 services_{it} + \beta_5 bargaining + e_{it}$$

The analysis uses panel data for 17 countries over 2007-2014 time period. MIPEXL is our variable of interest and non-EU employment rate is our dependent variable. Rest of X's in this model are the control variables. The error term is indicated by e_{it} .

For non-EU employment we can see that the services sector plays a really important role negatively affecting non-EU employment. This could result as there has been a change in the jobs created, which leads to a negative effect in employment until the skills of the non-EU labour force change. For example, it could be because non-EU workers do not speak the native language thus they are not able to be incorporated in the service sector where language plays such an integral part. The bargaining power of unions negatively affects the employment of non-EU workers causing a negative change of 21.8%. This could be because the demand curve for non-EU workers is more elastic thus is more negatively affected in comparison to total employment. Also, unions could be more focused on the rights of the native labor force causing adverse effects for the immigrant labor force. Inflation causes a positive change of 5.4%, an expected result as more inflation means higher price level and output and thus employment.

Trade openness negative effects the employment of non-EU workers. As said, trade openness is associated with higher unemployment and wage inequality.

GDP growth and MIPEXL are not statistically significant. Nevertheless, growth has a negative impact on non-EU employment. MIPEXL positively affects the employment of non-EU workers causing a small change of 2.3%. We would expect MIPEXL to be statistically significant and have a greater positive impact on non-EU employment as MIPEXL is designed to integrate migrants into the labor force and thus we would expect to boost their employment. Our results could be explained because according to MIPEX²³⁸, even if labour market policies focus on helping immigrants to find a job they mostly succeed after 10+ years and they also offer jobs of lower quality, below migrants' qualification or below the poverty line. Thus, labor market integration policies are not yet very effective in successfully integrating immigrants.

3.2.3 Model 3: Low-Skilled Employment Rate and MIPEXL

$$E_{low_{it}} = \beta_0 + \beta_1 MIPEXL_{it} + \beta_2 inflation_{it} + \beta_3 growth_{it} + \beta_4 trade_{it} + \beta_5 services_{it} + \beta_5 bargaining + e_{it}$$

The analysis uses panel data for 17 countries over 2007-2014 time period. MIPEXL is our variable of interest and low-skilled employment rate is our dependent variable. Rest of X's in this model are the control variables. The error term is indicated by e_{it} .

For the low-skilled labor force, the service sector negatively impacts employment. The impact is less than the total employment rate. This result is in alignment with our expectations as more and more low-skilled labour force in the EU is employed in the service sector. Trade also

²³⁸ Huddleston et.al, "Integration Policies: Who Benefits? – Policy Brief", *MIPEX*, 2015.

plays an important role adversely affecting low-skilled employment causing a 9.29% negative change. Trade openness makes the market more competitive and jobs at the low-end of the spectrum are increasingly moving to countries with less expensive labour. Additionally, the EU labor market is increasingly demanding more professional labour. Inflation positively affects the employment of the low-skilled labor force in the same line as it affects the employment of the total labor force.

The rest of the determinants are statistically insignificant. MIPEXL, although statistically insignificant, positively affects the employment of low-skilled workers causing a 7.87% change. This is in alignment with our expected results as, with labour market immigrant integration, the labour market is more efficient and low-skilled workers are positively affected. Bargaining power positively affects low-skilled workers. This result, if statistically significant, could mean that unions are effective in benefiting disadvantaged labor force groups like the low-skilled. GDP growth also positively affects the employment of low-skilled persons. This could mean not only that growth occurred but that it also occurred in sectors that needed low-skilled labour.

3.2.4 Model 4: Young Labor Force Employment Rate and MIPEXL

$$E_{young_{it}} = \beta_0 + \beta_1 MIPEXL_{it} + \beta_2 inflation_{it} + \beta_3 growth_{it} + \beta_4 trade_{it} + \beta_5 services_{it} + \beta_5 bargaining + e_{it}$$

The analysis uses panel data for 17 countries over 2007-2014 time period. MIPEXL is our variable of interest and the employment rate of the young labor force is our dependent variable. Rest of X's in this model are the control variables. The error term is indicated by e_{it} .

For the young labour force, the service sector has a significant and important negative impact on their employment. This could be caused as the young labour force is increasingly more educated and their employment is mostly determined by higher-level jobs. Trade openness also negatively impacts the employment of the young labor force. We can see that trade openness affects the young labour force at a greater rate than the total labour force. This could be caused because the demand for young labor force is more elastic due to greater substitutability. Inflation positively affects the employment of young people for the reasons mentioned earlier.

All other factors are statistically insignificant. MIPEXL, although statistically insignificant, positively affects the employment of young workers with a 6.87% change. Bargaining power negatively affects the employment of young workers. This result, if statistically significant, could be due to the fact that unions are balancing a wage-employment trade-off. Since, younger workers would be the ones not yet employed or the ones lastly employed, they are the ones most likely affected by this trade-off. Finally, GDP growth negatively affects the employment of young workers; a result not expected.

3.2.5 Model 5: Old Labor Force Employment Rate and MIPEXL

$$E_{old_{it}} = \beta_0 + \beta_1 MIPEXL_{it} + \beta_2 inflation_{it} + \beta_3 growth_{it} + \beta_4 trade_{it} + \beta_5 services_{it} + \beta_6 bargaining + e_{it}$$

The analysis uses panel data for 17 countries over 2007-2014 time period. MIPEXL is our variable of interest and the employment rate of the old labor force is our dependent variable. Rest of X's in this model are the control variables. The error term is indicated by e_{it} .

The employment of the old labour force is significantly and positively affected by MIPEXL causing an 18.7% positive change. This is a rather interesting finding, but it could be that the non-EU labour force integration is highly complementary to older workers and their successful integration boosts this complementarity. Trade openness also results in positive effects for the employment of the old labor force. This is a surprising finding as the old labor force is the only one positively affected by trade openness. The rest of the determinants are statistically insignificant.

3.2.6 Model 6: Female Labor Force Employment Rate and MIPEXL

$$E_{female_{it}} = \beta_0 + \beta_1 MIPEXL_{it} + \beta_2 inflation_{it} + \beta_3 growth_{it} + \beta_3 trade_{it} + \beta_4 services_{it} + \beta_5 bargaining + e_{it}$$

The analysis uses panel data for 17 countries over 2007-2014 time period. MIPEXL is our variable of interest and the employment rate of the female labor force is our dependent variable. Rest of X's in this model are the control variables. The error term is indicated by e_{it} .

Looking at the female labor force employment rate, we can see that MIPEXL, one of the two most statistical significant determinants of female employment, is causing a 9.96% positive change to the employment of the female labor force. This effect could happen as non-EU labor force is over-represented in the service sector and also in jobs where the employer is the household²³⁹. With the non-EU labor force employed in the household, women have a greater chance to be employed in the labor market as they do not need to do domestic work. However,

²³⁹ Eichhorst et al., "The Integration of Migrants and its Effects on the Labour Market", *IZA Research Report No. 40*, 2011.

the service sector negatively impacts the employment of female labor force. This is a rather surprising result as according to the World Bank 84.08%²⁴⁰ of the total female labor force in the EU were employed in the service sector. Thus, we would expect that an increase in the service sector would positively affect the female employment. Last but not least, inflation has a positive impact on female employment. The rest of the variables are not statistically significant.

Overall, focusing at MIPEXL we can conclude that from the random effects model regression analysis it is a determinant with statistical significance for the total employment of the seventeen EU-country labor force causing on average an 8.72% positive change. Disaggregating the total employment in different groups, MIPEXL positively affects all the disaggregations of employment. However, for the non-EU, low, and young labor force the effects of the MIPEXL policies are not statistically significant.

According to MIPEX²⁴¹, most labour market policies focus on helping migrants find a job. However, most of them succeed after 10+ years and they also offer jobs of lower quality, below migrants' qualifications or below the poverty line. Most policies provide basic information and access to most types of jobs, self-employment and trainings. Traditional migration countries and most Western European countries are increasingly investing in more effective general and targeted programs. However, a lot of them are too new or small to reach the groups most in need. Overall, very few countries have a comprehensive integration strategy; nor does the EU. Thus, all of the above reasons could explain our results. Also, having had a larger time period our results could be significantly different.

²⁴⁰ World Bank, Employment in services, female (% of female employment)
<https://data.worldbank.org/indicator/SL.SRV.EMPL.FE.ZS?end=2014&locations=EU&start=2007&view=chart>

²⁴¹ Huddleston et.al, "Integration Policies: Who Benefits? – Policy Brief", *MIPEX*, 2015.

3.3 Individual Country Analysis

In this section I look at specific countries and I will analyze the correlation between labor market immigrant integration policies and employment. The correlation coefficients will allow me to see the statistical relationship between MIPEXL and employment in total and disaggregated for different subgroups. From the table below, we can see that for most countries there is a negative correlation between the total employment of the labor force and MIPEXL. Countries with a positive correlation between total employment and MIPEXL are Austria, Germany, Netherlands and Poland. For my extensive analysis, I will look more closely at Austria, France, Germany, Netherlands, Sweden and the UK. Except Sweden, these countries have been central countries in the integration literature for their different approaches to integration.²⁴² Sweden is included in my country analysis as it is the country ranked 1st for its MIPEXL polices.

Countries	TOTAL&MIPEXL	NEU&MIPEXL	EULOW&MIPEXL	EUYOUNG&MIPEXL	EUOLD&MIPEXL	EUFG&MIPEXL
Austria AT	0.889966055	-0.0593362	-0.631879	0.146968103	0.861348647	0.927425257
Belgium BE	-0.4093119	-0.516566363	-0.567003345	-0.566460097	0.588062955	0.531012284
Czech Republic CZ	-0.003347028	0.462559343	-0.839186408	-0.825948162	0.558576461	0.25657247
Denmark DK	-0.740272232	-0.482218565	-0.853495094	-0.827145851	0.82433454	-0.85553612
Estonia EE	-0.198828571	-0.426807702	0.086943453	-0.294349599	0.358566614	-0.250411596
Finland FI	-0.405010553	-0.456918983	-0.762967691	-0.567742106	0.869428267	-0.298389102
France FR	N/A	-0.67781262	-0.839622644	-0.875227545	N/A	N/A
Germany DE	0.812347082	0.800167336	0.839083144	0.680756978	0.823571686	0.79737026
Greece EL	-0.894894979	-0.83148744	-0.886757481	-0.887353852	-0.934173831	-0.859383907
Ireland IE	-0.02133953	0.062529516	0.066160079	0.044020046	-0.078661058	0.078457732
Italy IT	-0.751980984	-0.749018164	-0.715899792	-0.806952675	0.856354664	0.09918995
Netherlands NL	0.849118276	0.680016649	0.779874481	0.900110329	-0.863186216	0.665378858
Poland PL	0.64142469	-0.271896809	-0.727047524	-0.180365808	0.787790776	0.751828055
Portugal PT	-0.707898738	-0.762976372	-0.785561384	-0.746315329	-0.705397992	-0.604359115
Spain ES	-0.898018489	-0.905618445	-0.896160875	-0.871838601	-0.72063396	-0.84280619
Sweden SE	-0.160853808	-0.694247887	-0.768075917	-0.650126413	0.772872696	-0.027552863
United Kingdom UK	-0.416630545	0.686979592	0.158590118	0.285043856	-0.808372413	-0.686621369

Figure 3.5: Statistical relationship between MIPEXL & employment for 17 EU countries

²⁴² See chapter two, section 2.2, p.35

3.3.1 Austria AT

Austria is a country with a long history of migration²⁴³, who despite having migrants, only in the last ten years has incorporated immigrant integration in its national policymaking.²⁴⁴ Austria was one of the countries that took part in the *Gastarbeiter* (guest worker) program in the 1960s accepting many temporary workers that later stayed creating Austria's first large foreign population.²⁴⁵ Throughout the Cold War, Austria received refugees from Eastern European countries, and in the 1990s, a massive influx of Yugoslavian refugees.²⁴⁶ In Austria there has been a high level of anti-immigrant sentiment, which has been slightly decreasing in recent years.²⁴⁷ For the period of 2007–2014, Austria is ranking 11th out of 17 EU-countries as an immigrant destination and 14th out of 17 EU-countries for its labor market immigrant integration policies.

Around 1/3 of working-age non-EU citizens are not in employment, education, or training; a ratio which is common across the EU²⁴⁸. Over the past decade, Austria's MIPEXL score has increased dramatically. It increased from 42/100 in 2007 to 64/100 in 2014. This dramatic increase was mostly driven by the great change in targeted support which increased from 10/100 in 2007 to 80/100 in 2014. Austria's public employment service (AMS), the Integration Fund (OIF), and the 2010 Integration Plan created many new programs to improve the position of low- and high- skilled immigrants. However, in Austria it is still hard for migrants to get their skills & foreign degrees recognized. Also, the access to public sector, self-

²⁴³ Kraler & Jandl, "Austria: A Country of Immigration?", *Migration Policy Institute*, 2003.

²⁴⁴ Kraler & Reichel, "Measuring and Monitoring Immigrant Integration in Europe: Integration Policies and Monitoring Efforts in 17 European Countries", *The Netherlands Institute for Social Research*, 2012, p. 43.

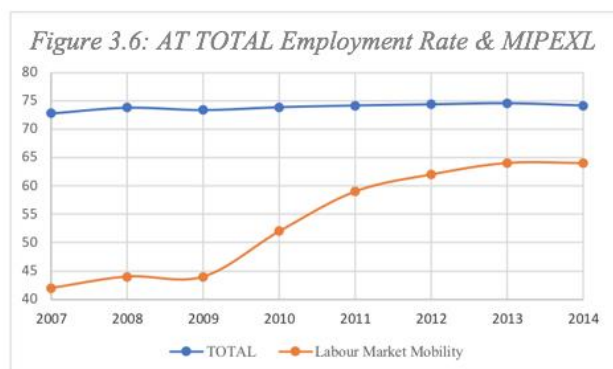
²⁴⁵ Kraler & Jandl, "Austria: A Country of Immigration?" *Migration Policy Institute*, 2003, p.100.

²⁴⁶ Ibid.

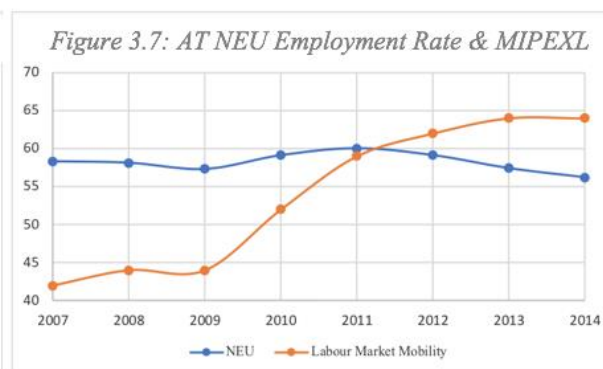
²⁴⁷ Huddleston et.al, "Integration Policies: Who Benefits?" *MIPEX*, 2015.

²⁴⁸ Ibid.

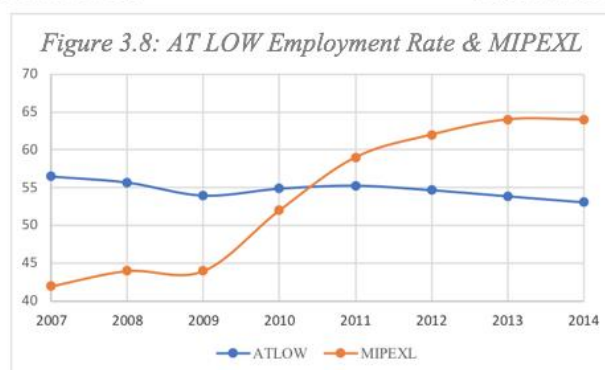
employment, and study grants is limited. Thus, we could argue that there is skill-mismatch with many of migrants' potential being wasted.



Correlation: 0.88996605



Correlation: -0.0593362



Correlation: -0.631879

We can see from the graphs above that MIPEXL policies have a strong positive correlation with the employment of the total labor force. This result goes in alignment with the ideal results from integration policies positively affecting the employment of the labor force. However, there is significant negative correlation between the low-skilled overall labor force and MIPEXL policies. Some economists have argued that low-skilled workers are one of the groups most affected by immigration, which according to this correlation could be proof for the Austrian labor market. Interestingly, there is a small negative correlation between MIPEXL and the employment of non-EU workers. Since 2011, labor market integration policies have significantly improved, however there are still improvements to be made. Targeted support has increased

dramatically making it easier for non-EU workers to get their needs addressed as workers born and trained abroad. However, it is still hard for immigrants to get their skills recognized.

3.3.2 *France FR*

France has been a country of net migration since the 1950s. It is one of Europe's oldest immigration countries with around 1/4th of its population having an immigrant background.²⁴⁹ However, a sizeable minority of the overall French population holds anti-immigrant attitudes.²⁵⁰ France is seen as the prototype of assimilationist integration policies in the EU, where the permanent nature of immigration is accepted but also the immigrant population is expected to assimilate with the majority. According to the French Jacobin tradition, what matters is the relationship between the individual and the state, without the interference of intermediaries.²⁵¹ For the period of 2007–2014, France is ranking 4th out of 17 EU-countries as an immigrant destination and 15th out of 17 EU-countries for its labor market immigrant integration policies.

As mentioned earlier in the chapter, across Europe there has been a consensus that labor market integration is of utmost importance. In France, in 2003, a new integration policy was formulated, in which language skills and education were considered even more important than the incorporation into the labor market. The idea behind this policy direction was that once migrants speak the native language and have acquired professional skills, their incorporation into the labor market will be easier.²⁵²

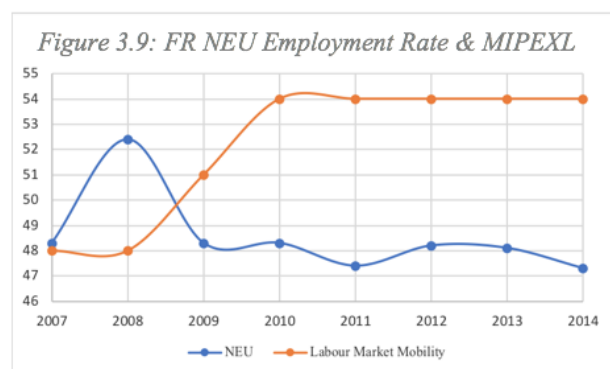
²⁴⁹ Huddleston et.al, "Integration Policies: Who Benefits?" *MIPEX*, 2015.

²⁵⁰ European Social Survey, "Attitudes towards Immigration and their Antecedents: Topline Results from Round 7 of the European Social Survey", 2016.

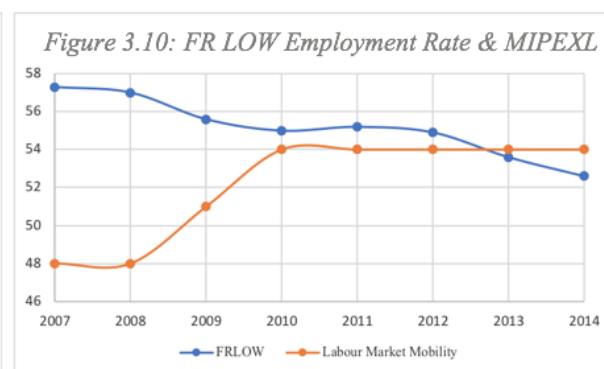
²⁵¹ Entzinger & Biezeveld, "Benchmarking in Immigrant Integration", European Research Centre on Migration and Ethnic Relations, 2003, p.14.

²⁵² *Ibid*, 47.

France restricts and delays labor market integration more than most of EU countries. There is an estimated 5.3 million ‘jobs’ that are closed to non-EU migrants, while few are accessing education or training. ½ of non-EU citizens are out of employment and training while it is very common for immigrants to be in jobs below their qualifications or below the poverty line.²⁵³



Correlation: -0.6778126



Correlation: -0.8396226

France does not have data available for the employment of the overall population. There is an important negative correlation between the employment of the non-EU labor force and MIPEXL. This finding is not surprising since the French labor market integration policies have consistently been ineffective in helping the migrant labor force integrate into the labor market. Additionally, there is a significant negative correlation between the low-skilled overall labor force and MIPEXL policies. This could be due to the fact that MIPEXL policies are one of the worst in the EU, but other factors could affect the decline in the employment of the labor force. This could be a structural change in the overall labour market, where less low-skilled workforce is needed. The financial crisis of 2008 could have also played a role in the decreasing employment. As we can see from the graphs above both non-EU and low-skilled employment started falling in 2008 reflecting the overall bad economic situation across Europe and in France.

²⁵³ Huddleston et.al, “Integration Policies: Who Benefits?” *MIPEX Policy Brief*, 2015.

3.3.3 Germany DE

Similar to Austria, Germany has a long history of immigration, yet for most of history it refused to accept its status as a migration country. Germany was also part of the *Gastarbeiter* program in the 1960s²⁵⁴, but it did not accept that many of the temporary workers stayed permanently in Germany constituting its first large foreign population. Since then, Germany has been accepting a growing number of immigrants and asylum seekers. However, only in 2005, did Germany

“develop(ed) integration policies as well as a welcoming culture for immigrants and foster(ed) diversity systematically”.²⁵⁵ Germany is one of the few countries with improving attitudes towards immigrants. 83% think that Germany is a welcoming country and 72% believe that German and non-EU citizens should have equal rights.²⁵⁶

In 2007, Germany followed a series of reforms in its policies to comply with EU directives.²⁵⁷ In addition to these reforms, Chancellor Merkel announced the introduction of a National Integration Plan²⁵⁸ and approved a 750 million worth of funding for integration. The policy promoted open dialogue on integration, the strengthening of migrant organizations, and better education and job opportunities for immigrants and those with a migrant background. For the period of 2007–2014, Germany is ranking 1st out of 17 EU-countries as an immigrant destination and 4th out of 17 EU-countries for its labor market immigrant integration policies.

Germany makes slow but steady progress on providing both equal access and great support to immigrants. Germany has taken the lead in Europe to facilitate and support the

²⁵⁴ Kraler & Jandl, “Austria: A Country of Immigration?” *Migration Policy Institute*, 2003, p.100.

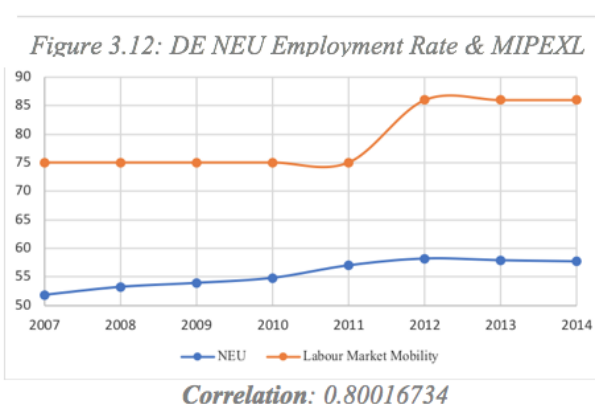
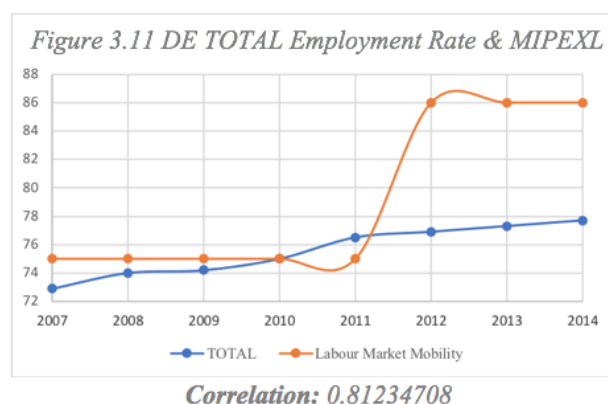
²⁵⁵ Bendel, “Coordinating Immigrant Integration in Germany: Mainstreaming at the Federal and Local Levels” *Migration Policy Institute Europe*, 2014, 1.

²⁵⁶ Huddleston et.al, “Integration Policies: Who Benefits?” *MIPEX*, 2015.

²⁵⁷ Leise, “Germany Strives to Integrate Immigrants with New Policies,” *Migration Policy Institute*, 2007.

²⁵⁸ *Nationaler Integrationsplan: Erster Fortschrittsbericht*, 2008, 9-13.

recognition of foreign qualifications and skills, with its 2012 Recognition Act. Also, it is one of a few EU countries that has a wider range of targeted support. Overall, Germany takes time to build consensus; it pilots and then evaluates its new policies leading to effective outcomes.²⁵⁹ Importantly, Germany has had the right political, economic, and social conditions to do so. Germany's integration policies have benefited and arguably contributed to its rising employment rates (see graphs above) and positive attitudes towards immigrants.



We can see from the graphs above that MIPEXL policies have a strong positive correlation with the employment of the total labor force. This result is in alignment with the ideal results from labor market integration policies positively affecting the employment of the total labor force. As I have analyzed above, Germany's steps towards a successful labor market integration policy has been very effective playing a key role in the rising employment rates. We can also see that there is a positive correlation between non-EU labor force and MIPELX. Equal access to employment, great general and targeted support, and the recognition of migrants' skills and qualifications are the factors that could have affected this strong positive correlation.

²⁵⁹ Huddleston et.al, "Integration Policies: Who Benefits?" *MIPEX*, 2015.

3.3.4 Netherlands NL

The Netherlands has been a country with a great history of migration, with 11.5% of its population being born abroad most from medium-to-low developed non-EU countries.²⁶⁰ The Netherlands created its first integration policy in the 1980s being a great advocate of multicultural integration policies. However, since then its approach has drastically changed. In 2004, the Netherlands rejected multiculturalism²⁶¹. Since 2004, civic integration and the creation of a Dutch identity, which meant adherence with societal and cultural norms, have become the basis for immigrant integration. After the collapse of 2010 right-wing government there has been increasing support for the far-right, which is associated with negative immigrant rhetoric.

The far-right has continuously politicized the integration policy, pressuring the government for restrictions. For the period of 2007–2014, the Netherlands is ranking 9th out of 17 EU-countries as an immigrant destination and 3rd out of 17 EU-countries for its labor market immigrant integration policies. However, from 2010-2014, the Netherlands abandoned its commitment to equal opportunities for immigrants dropping -8 points on MIPEX,²⁶² more than any other country has from 2007-2014. The Netherlands is taking a new approach to integration, which could be called a “policy to no policy” increasingly disinvesting in integration policies.²⁶³ Overall, immigrants are expected to integrate, but there is no obligation to the institutions and integration policy makers to help in the process. This new approach has negatively affected the labor market.

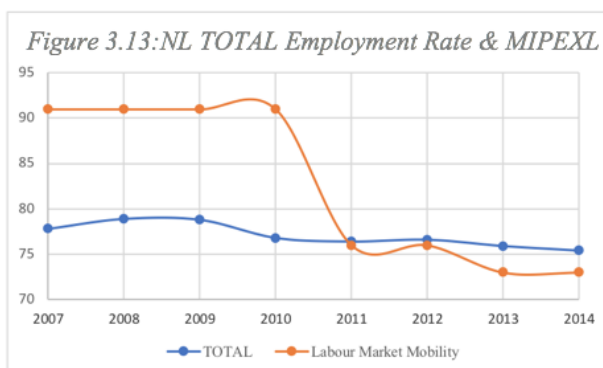
²⁶⁰ Huddleston et. al, “Integration Policies: Who Benefits?” *MIPEX*, 2015.

²⁶¹ Joppke, “Beyond national models: Civic integration policies for immigrants in Western Europe”, *Western European Policies*, Vol. 30, 2007.

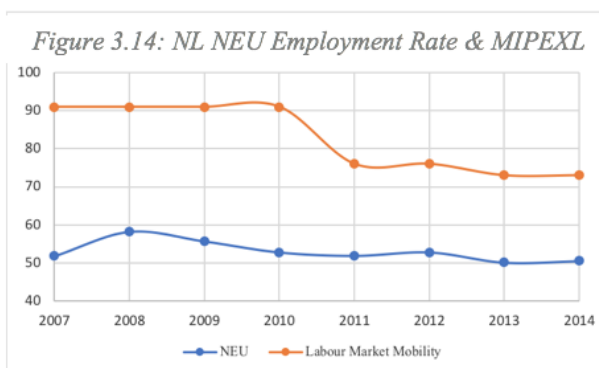
²⁶² Huddleston et. al, “Integration Policies: Who Benefits?” *MIPEX*, 2015.

²⁶³ Ibid.

Immigrant adults are demanded but not supported to learn the Dutch language and its core civic values.²⁶⁴ They are expected to cover the expenses for themselves with ‘loans’ replacing the grants and free courses once provided. Immigrants are also expected to be employed, healthy, and civically active without the targeted support to overcome specific barriers they face.²⁶⁵ Without the targeted support, non-EU employment rates are increasingly falling. From 2010-2014, the Netherlands went from having one of the strongest targeted support to one of the weakest in Western Europe.²⁶⁶ Its targeted support score fell dramatically from 80/100 in 2007 to 20/100 in 2014.



Correlation: 0.84911828



Correlation: 0.68001665

We can see from the graphs above that MIPEXL policies have a strong positive correlation with the employment of the total labor force. However, the positive correlation is caused as both employment and MIPEXL values are falling. As extensively analyzed, the Netherlands is increasingly disinvesting in immigrant integration and labor market migrant integration specifically. Its MIPEXL score dropped from 91 in 2010 to 73 in 2014. Interestingly, the NL total employment started falling before MIPEXL so disinvesting in immigrant integration policies could reflect Netherlands' perception that with decreased overall employment,

²⁶⁴ Joppke, "Beyond national models: Civic integration policies for immigrants in Western Europe", *Western European Policies*, Vol. 30, 2007, p.15.

²⁶⁵ Ibid.

²⁶⁶ Huddleston et. al, "Integration Policies: Who Benefits?" *MIPEX*, 2015.

immigrants are not welcomed. Disinvesting in MIPEXL could be used as a tool to incentive migrants to migrate elsewhere if they cannot be successfully employed.

We can also see that there is a positive correlation between non-EU employment and MIPEXL. This positive correlation could be explained by Netherlands' absent targeted support not helping immigrants in the integration process. Interestingly, the correlation is smaller in comparison to total employment. This could be due to immigrants' determination to integrate regardless of the support they are getting by institutions.

3.3.5 *Sweden SE*

Sweden has been an immigration country since the 1950s with more than 15 percent²⁶⁷ of the population being foreign-born; of those approximately 13 percent are non-EU migrants²⁶⁸. The overall employment rate was very slightly affected by the economic crisis and is around 80 percent; one of the highest employment rates in the developed world. The Swedish population has one of the most positive attitudes towards immigrants, similar to other Nordic countries, with 80% of the population supporting that immigrants and natives should have equal rights²⁶⁹. In 2009²⁷⁰, Sweden passed the Introduction Act and the Discrimination Act aiming to reach all those in need. For the period of 2007–2014, Sweden is ranking 10th out of 17 EU-countries as an immigrant destination and 1st out of 17 EU-countries for its labor market immigrant integration policies.

With the 2009 Labour Market Introduction Act, Sweden set new high standards for labour market integration aiming to strictly scrutinize any obstacles in laws or policies, offering

²⁶⁷ Eurostat, “Immigrants”, 2016.

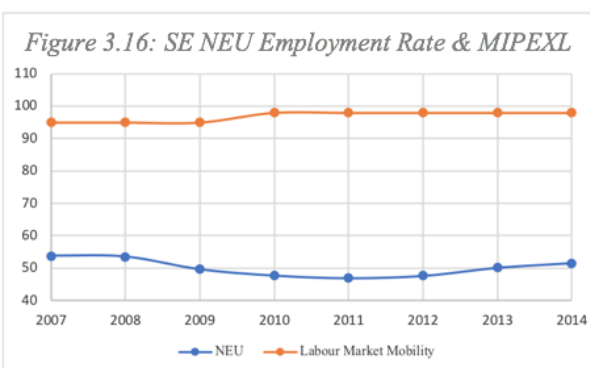
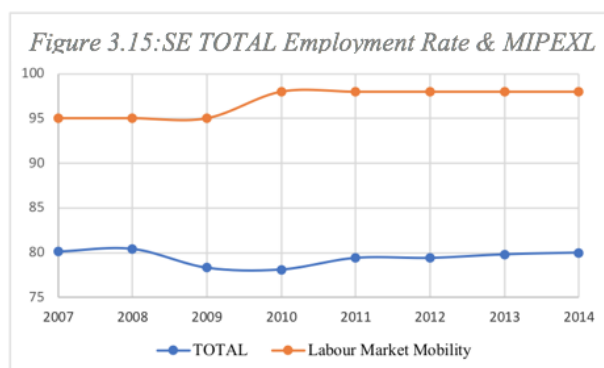
²⁶⁸ Eurostat, “Distribution of immigrants by citizenship”, 2016.

²⁶⁹ European Social Survey, “Attitudes towards Immigration and their Antecedents: Topline Results from Round 7 of the European Social Survey”, 2016.

²⁷⁰ Government Offices of Sweden, “Swedish Integration Policy”, *Ministry of Integration Offices in Sweden*, 2009.

targeted support and mainstreaming its services to access a wider population in need. The Act aims to make it easier for newcomers to learn the Swedish language, find or create a job matching their skills. However, Sweden still needs to expand its access to procedures in order to recognize migrants' skills and foreign qualifications and offer more Swedish language courses.²⁷¹

According to Labour Force Surveys²⁷², Sweden has the largest difference in employment rate between the Swedish born and foreign-born population in 18 out of 26 countries that the ad hoc-module was done in 2014. We can see from the graphs below that on average 50 percent of the non-EU labor force is employed compared to an average of 80 percent of the Swedish born. This is a very striking difference.



Overall, MIPEXL policies have a small negative correlation with the overall employment of the population in Sweden. Looking at the employment of non-EU workers this negative correlation sharply increases. We can see from the graphs that the score of MIPEXL policies increased in 2009, following the 2009 Labour Market Introduction Act that was implemented. However, the employment started falling in 2008, which was when the economic crisis hit. Thus, the fall of the employment rate could be caused by the economic crisis. However, even if the

²⁷¹ Huddleston et. al, "Integration Policies: Who Benefits?" *MIPEX*, 2015.

²⁷² Labour Force Surveys, "Labour Situation of migrants and their immediate descendants 2014", 2016.

initial fall was caused by the economic crisis, we would expect that the labour market integration policies would positively affect non-EU employment leading to an increase in the non-EU employment rate. The employment rate of the non-EU labor force started increasing, only slightly, in 2011. Nevertheless, the employment rate between the Swedish nationals and TCNs is still striking. We could argue that even if Sweden has a lot of policies in place they might be too new, small-scale or general to affect outcomes at the national level.

3.3.6 *United Kingdom UK*

The United Kingdom has been an immigration country since the 1950s with around 10 percent²⁷³ of the population being foreign-born; of those approximately 13 percent are non-EU migrants²⁷⁴. The UK along with the Netherlands were the countries that were perceived as the prototypes of the “multiculturalist” integration approach²⁷⁵. In 1948, with the independence of several of its colonies, the UK decided to grant all of its citizens in the Commonwealth countries the right to work, settle and vote (Nationality Act).²⁷⁶ Many immigrants from the territories of the former empire – Africa, Caribbean, Asia, and India – migrated to the UK and were perceived with a wave of racism. The UK responded with the Race Relations Act, which could be seen as its first migrant integration policy. UK’s immigration integration approach taken at this time could be exemplified by Roy Jenkins, the then *Home Secretary*; “I ... define integration not like the levelling process of assimilation but as equal opportunities, associated with cultural diversity, in an atmosphere of mutual tolerance” (1967).²⁷⁷

²⁷³ Eurostat, “Immigrants”, 2016.

²⁷⁴ Eurostat, “Distribution of immigrants by citizenship”, 2016.

²⁷⁵ Joppke, “Beyond national models: Civic integration policies for immigrants in Western Europe”, *Western European Policies*, Vol. 30, 2007, p.8.

²⁷⁶ Choquet, “Models of Integration in Europe” *Fondation Robert Schuman*, 2017.

²⁷⁷ Ibid.

However, starting in the 2000s a more secular approach was followed.²⁷⁸ The Nationality, Immigration, and Asylum Act of 2002 put forward the symbolic strengthening of national identity. After the Act, people seeking nationality had to take a citizens' test claiming their knowledge of the English language, the institutions, the history, and law of Britain. A decade later, the UK started to sharply disinvest in immigrant integration policies. For the period of 2007–2014, the UK is ranking 2nd out of 17 EU-countries as an immigrant destination and 11th out of 17 EU-countries for its labor market immigrant integration policies.

UK's integration policies dropped 6 points, the 2nd largest drop following the Netherlands. Specifically, for the labour market integration policies, the UK is further eliminating its weak targeted measures for labour market integration at a time when most EU-countries in Northern Europe are increasing their support. Regardless from its 2010 Equality Act, UK's commitment to equality has decreased with 55% budget cuts for the Equality and Human Rights Commission and an end to the mandatory equality impact assessments.²⁷⁹ Overall, these restrictions could be seen as being part of the government's plan to reduce migration and pursue a more nationalist approach.

The UK has good access to jobs, mainstream services and procedures to recognize foreign qualifications and skills but expects immigrants to pursue jobs and training without targeted support. Non-EU citizens in the UK are more likely than elsewhere in Europe to take up education and training.²⁸⁰ However, in the UK, unemployed non-EU citizens are much less likely to receive unemployment benefits to help them find a job²⁸¹. A big number of non-EU individuals are working in jobs at the level of their qualifications. Thus, in the UK there is not a

²⁷⁸ Huddleston et. al, "Integration Policies: Who Benefits?" *MIPEX*, 2015.

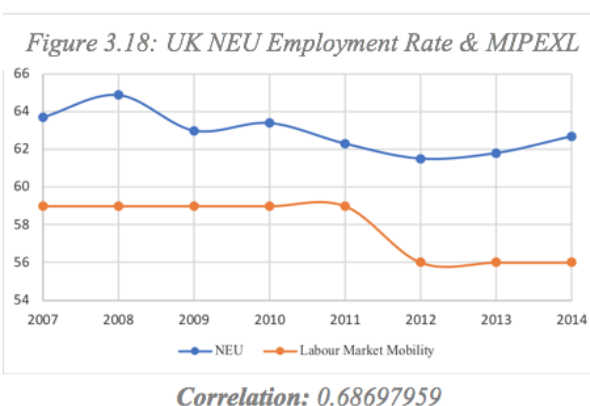
²⁷⁹ Ibid.

²⁸⁰ Ibid.

²⁸¹ Ibid.

big skill-job mismatch. Importantly, the UK's labour market leaves behind a large number of low-educated UK and non-EU born.

UK's labour market clearly reflects the strengths and weaknesses of its current context. The UK increasingly attracts global talent in competition with other English-speaking countries. These employment outcomes are influenced by the flexible & growing number of the labour force that is created with many coming to work and study in the UK and others coming with university degrees and English skills.



For the overall labour force, MIPEXL policies are negatively correlated with the total employment. This means that even if the UK has been disinvesting in the MIPEXL policies thus the MIPEXL score is falling, total employment has been increasing regardless. This could be due to the fact that UK's labor market has been steadily increasing. At the same time, MIPEXL policies and the non-EU labour force are positively correlated. Thus, with less migrant integration efforts, the employment of the non-EU labour force has been falling. This could be caused as the lack of general and targeted policies negative affects the non-EU labor force. Interestingly, this could be the aim of the UK. With less immigrants being in employment it could be an incentive for them to leave the UK and migrate elsewhere.

3.4 Conclusion

As already stated, there has been limited economic research examining how the integration of migrants will specifically affect the wages and employment of native workers. In this econometric section, I attempted to look at the effect of labor market integration policies on the employment of the total, non-EU, low-skilled, young, old and female labour force in seventeen EU-countries. From my panel data analysis, I found that labor market immigrant integration policies positively affect the employment of the total population. A result I was expecting to find since I am arguing that the successful integration of migrants will complementary respond to the labour market increasing the overall output and thus better the employment of the total labour force.

In the random-effects-model regression analysis, MIPEXL is a determinant with statistical significance for the total employment of the seventeen EU-country labor force causing on average an 8.72% positive change. Disaggregating the total employment in different groups, MIPEXL positively affects all the disaggregations of employment. However, for the non-EU, low, and young labor force the effects of the MIPEXL policies are not statistically significant. Looking at the correlation coefficients of the 17 EU-countries and specifically analyzing the correlation coefficients of Austria, France, Germany, Netherlands, Sweden, and the UK I get very mixed results.

An overall conclusion is that the EU does not have a comprehensive integration strategy and nor do a lot of the EU countries. Traditional migration countries and most Western European countries are increasingly investing in more effective general and targeted support programs. Since 2008, Germany has taken important steps towards targeted programs and it was also the first country, in 2012, to facilitate and support the recognition of foreign qualifications and skills.

Recognizing qualifications acquired abroad, along with targeted support measures, is really important to promote immigrant integration in the labour market and make full use of immigrants' skills. Nevertheless, countries like the Netherlands and the UK who had been pioneers in the immigrant integration policies are increasingly disinvesting in their immigrant integration policies. Thus, there is not a clear direction of the EU immigrant integration strategy as a whole or the labour market immigrant integration policy specifically, which could be a very important determinant of our mixed results. From my analysis, immigrant integration policies seem to positively affect the employment of the total population and I would expect the impact to be even more positive, if immigrant integration policies were more cohesive.

Concluding Remarks

Immigration has been a heated topic with equally loud and influential proponents and critics. There has been an extensive academic literature around the effects of migration on the labour market. At the same time, there have been political debates about whether to allow immigration and how many immigrants states should accept. More recently, there have been increasing political debates about what to do with the immigrants already within states. Europe has increasingly been challenged to integrate not only EU-nationals but also third-country nationals; a reality that has modified the initial understanding of what integration meant. The European Union has been aiming towards a collective response to migration and immigrant integration with respect to immigrants' rights. However, member states still perceive migration and immigrant integration policies to be at the heart of national sovereignty.

Member states have been enacting different policies and laws not necessarily following EU's aim towards a collective EU response to migration and immigrant integration. Nevertheless, labour market immigrant integration has been at the center of immigrant integration policies. Positively, traditional migration countries and most Western European countries are increasingly investing in more effective immigrant integration policies. Nevertheless, countries like the Netherlands and the UK who had been pioneers in the immigrant integration policies are increasingly disinvesting in their immigrant integration policies. These different approaches are linked to the academic debates around the merits of multiculturalism or assimilation.

Outside of initial reports commissioned by the European Union, there has been limited quantitative analysis on the effectiveness of immigrant integration policies and more specifically

on the effectiveness of labour market immigrant integration policies. Even fewer intellectuals, have sought to compare these hypotheses against qualitative case studies. This has been the goal of this Senior Project.

I examined the effect of labour market immigrant integration policies, as defined by the Migrant Integration Policy Index, on the total employment rate and on the employment rate of different subgroups for seventeen EU countries. Then I took a deeper look at the relationship between employment and labor market immigrant integration for six different countries – Austria, France, Germany, Netherlands, Sweden, UK –; countries that have been at the center of the immigrant integration debate.

From my analysis, immigrant integration policies seem to positively affect the employment of the total population and I would expect the impact to be even more positive, if immigrant integration policies were more cohesive. The results of my analysis showed the need to measure outcomes separately from policy as well as the need for more nuanced literature on the subject. Most importantly, the analysis showed the importance of targeted support measures and the recognition of qualifications acquired abroad as central factors to promote immigrant integration in the labour market and make full use of immigrants' skills.

The individual country analysis allowed us to further explore these conclusions:

Germany and Austria were countries with no immigrant integration policies before. However, they have created immigrant integration policies and have increasingly invested in targeted support programs, which have resulted in positive labour market outcomes. France, a prototype of assimilationist integration policies, where the integration of immigrants has been one of the worst in the EU, has negative results in the labour market. Sweden is a very

interesting case, where its integration policies are the best of all in the EU, but this does not translate in positive labour market outcomes. 50 percent of the non-EU labor force are not employed compared to an average of 80 percent of the Swedish born. Sweden is a country that stresses the need to examine results separately from policy, as policies in place are not enough to lead to positive results. Finally, Netherlands and the UK, countries perceived as prototypes of the “multiculturalist” integration approach, have increasingly been disinvesting in their integration policies reflected in negative labour market outcomes. This could be linked to a negative sentiment towards immigrants, where countries are trying to incentivize immigrants to move elsewhere making it harder for them to be incorporated in the labour market. Overall, labour market immigrant integration policies do seem to have a positive impact on the labor market. However, the connection between policies and outcomes is not that straightforward thus a closer look at individual country cases is of outmost importance.

Further Questions

There are many questions around immigrant integration yet to be answered and issues that must be addressed. One critical issue is the limited data available across all EU counties. This could be seen as even Eurostat is missing employment data for some EU countries and MIPEX lacks integration data for all the countries in the EU. Additionally, there is not a subgroup for the employment rate of the EU population for each EU country making it not possible to quantify the impact of labour market immigrant integration policies on the native population of each EU country. Better statistics could pave the way for more and better indicators but also for more accurate outcome indices.

The most natural extension of this Senior Project would be the inclusion of additional and more accurate indicators for additional years. Including more and better-kept indicators and statistics would give us a clearer picture of what immigrant integration entails and its impact across the EU. Additionally, the incorporation of more years could show which countries are consistently stronger in immigrant integration policies and how their rankings have changed along with policy changes. Last but not least, it could lead to a better ability to indicate the impact of economic recessions on immigrant integration.

The results call for our attention to the importance of institutions on immigrant integration. Both my qualitative and quantitative analysis suggest that there is a positive connection between institutions and immigrant integration. However, the immigrant integration literature around this issue is limited. Thus, further studies could examine immigrant integration through a historic institutional perspective.

Last but not least, this Senior Project brings into question the relationship between policies and outcomes. As observed in the quantitative analysis, there is a discrepancy between the employment rate and the immigrant integration policies. Namely, based on my regression analysis, immigrant integration policies have a considerable positive impact on the total, old, and female employment rate, but do not have the same significance for the non-EU, low-skilled, and young labor force subgroups. Looking at specific EU countries my results are also mixed. These results were not well explained by the stated hypothesis that immigrant integration policies will lead to positive labour market outcomes as measured by the employment rate. This leads to a very important question: Do immigrant integration policies actually have a significant impact on immigrant integration outcomes?

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